
CITY OF SAINT CHARLES, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2003



Report issued by the Finance Department

Karen D. McDermott
Director of Finance

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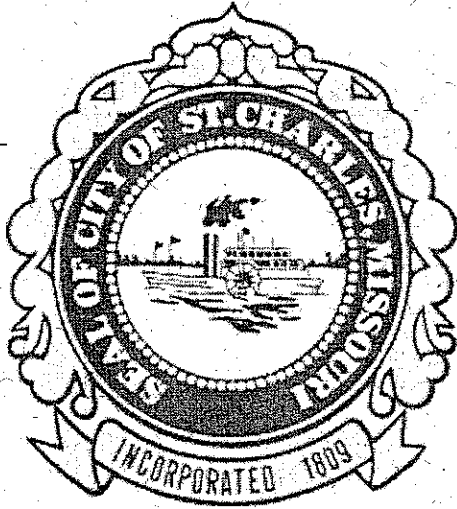
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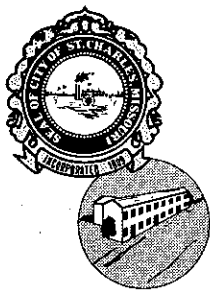
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Part I – Introductory Section



City of Saint Charles, Missouri

200 North Second Street Saint Charles, Missouri 63301-2891
(314) 949-3200

July 31, 2004

Honorable Mayor
City Council Members; and the Citizens of
City of Saint Charles, Missouri:

It is my pleasure to submit the Comprehensive Annual Report (CAFR) of the City of St. Charles, Missouri for the fiscal year ended December 31, 2003. It is submitted according to the provisions of Sections 3.14 and 5.3(a) of the City Charter. The City Charter requires an annual audit of all City accounts by independent certified public accountants selected by the City Council. This requirement has been complied with and the independent auditors' report has been included in this report. The independent auditors' report is "unqualified", meaning no significant exceptions in accounting practice or presentation were found. Additionally, as explained in more detail later in this letter, the City was awarded the Certificate of Achievement for Excellence in Financial Reporting for its 2002 Comprehensive Annual Financial Report. This is the fifteenth consecutive year our City has received this prestigious award.

This is the first year the Department of Finance has prepared this report using the new reporting requirements as prescribed by the Governmental Accounting Standards Board (GASB) Standard Number 34. Generally Accepted Accounting Principles (GAAP) now requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City of St. Charles' MD&A can be found immediately following the Independent Auditor's report.

The responsibility for both the accuracies of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is prepared in accordance with GAAP as promulgated by the GASB. The report is presented in three sections and includes the following information:

- Introductory Section – Letter of Transmittal with comments on the operations of the City, the City's organizational chart, a list of City officials, the Government Finance Officers Association of the United States Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the fiscal year ending December 31, 2002.
- Financial Section – Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements and Notes, Required Supplementary Information, Combining and Individual Fund Financial Statements and Schedules.
- Statistical Section – Selected financial and general information presented on a multi-year comparative basis.

PROFILE OF GOVERNMENT

The Primary unit of government is the City of St. Charles and its blended component unit is described as follows:

The City of Saint Charles, Missouri is located in east central Missouri on the Missouri River near its confluence with the Mississippi River, approximately 20 miles west of the City of St. Louis, Missouri. The City of Saint Charles was incorporated as the Town of Saint Charles on November 2, 1809, by the Court of Common Pleas, District of Saint Charles. By an act of the General Assembly on March 10, 1849, it became the City of Saint Charles, Missouri by special charter. The City now operates under a Home Rule Charter effective in 1982 according to the provisions of the Missouri Constitution. As required by GAAP, the City's financial reporting entity includes all activities of The City of Saint Charles, Missouri, and of its blended component unit. The City provides a full range of services. These services include police and fire protection, water, sanitary sewer, ambulance services, construction and maintenance of streets and infrastructure, planning and zoning management, recreational activities, cultural and historic events, and general administrative services. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the City of Saint Charles, Missouri Public Facility Authorities (the PFA), a legally separate not-for-profit corporation, formed to facilitate the acquisition and construction of certain capital improvements solely for the benefit of the City, is blended with the respective funds of the primary government. The City covers approximately 24 square miles and serves as the county seat of the County of St. Charles, Missouri. It is located approximately seven miles from Lambert-St. Louis International Airport, in St. Louis, Missouri. Also, within the central business district near the City's scenic riverfront are North and South Main Street, which are part of a registered historic district.

ECONOMIC CONDITION AND OUTLOOK

The City is an attractive suburban residential community with a diverse economic base represented by a mixture of industrial enterprises, commercial enterprises, support services and an established tourist industry.

St. Charles population has grown to 61,189 in 2003. Property tax assessed values increased 12% for the 2003 tax year, reflecting the continued investment in both commercial and residential construction in the community. Industrial and commercial space in St. Charles continues to experience expansion due to the opening of Highway 370. During the fiscal period 2003, permits were issued for commercial developments in excess of \$15 million.

In August of 2002, Ameristar Casinos, Inc., who purchased the riverfront casino previously owned by Station Casinos, Inc. at the end of calendar 2000, completed a casino expansion that was commenced by the prior owner but was never completed. The \$360 million expansion now encompasses 130,000 square feet of gaming space with a total of 3,300 slot machines and 95 table games. The expansion increased gaming taxes for both the State of Missouri and the City of St. Charles. The City portion of taxes increased by \$3,301,180 or 27%.

During 2003, Whittaker Builders, Inc. began the development of New Town at St. Charles. New Town is a planned mixed use development encompassing approximately 638 acres. The development is designed to include five compact, walkable and mixed-use neighborhoods surrounded by a series of lakes. The development is expected to include 4,300 residences. Mixed-use buildings, shops and offices will surround a main square on the town center island. Construction began in the Spring of 2004 and the area is expected to be completed in approximately 12 years.

MAJOR INITIATIVES

The City continues to utilize revenues generated by a ½ cent sales tax, which are earmarked for capital improvements, to help meet its on-going capital replacement plan and annual street overlay and reconstruction program.

Gaming revenue has continued to provide the City additional resources for capital projects. During 2003, the City completed construction of Hemsath Road and Hackman Road. Work began on the Boone's Lick Corridor project, Randolph Road reconstruction; and Zumbahl road. Additionally, the City completed various stormwater and street reconstruction projects, and purchased additional park property. In fiscal 2004, the City will continue to utilize gaming funds for street and stormwater projects, enhancing facilities, and economic development. Additionally, portions of gaming funds are being utilized to fund certain general fund costs of operation. Some of the more significant projects planned for fiscal 2004 include the development of Webster Park, 5th Street Extension, Elm Street Reconstruction, and Runnymede Bridge Replacement. The City has also provided funding for annual contributions toward the County Arena project, the Convention Center project, the art center, and various other street and stormwater projects. Additionally, some of the funds will be utilized for a portion of the debt service for the September 1997 Bond Issue which funded water, stormwater and sanitary sewer improvements.

In November 2000, the voters approved a \$15,200,000 bond issue to finance a new criminal justice center and communications system. The bonds were sold in March 2001 with construction commencing thereafter. The construction was completed during 2003.

In late November 2000, the Council amended the redevelopment agreement for the St. Charles Center Redevelopment Area. Pursuant to a redevelopment agreement with the new developer (Greater Missouri Builders), the Council authorized an additional \$12,200,000 in Tax Increment Financing notes for the project. A new Bass Pro opened in August 2001. Additional retail space was constructed in 2003 and the project is still expected to renovate the existing center.

During 2003, the City entered into agreements with a private hotel developer and the St. Charles County Convention and Sports Facility Authority (the Convention Authority) to facilitate the construction of a 250-room high quality, full service hotel and construction of a convention center with approximately 128,000 square feet on 24 acres of land owned by the City. The Convention Authority receives a county-wide lodging tax to be used to assist with the financing of the Convention Center. The hotel will be financed with private funds and the Convention Center project, estimated to cost approximately \$50,000,000 will be funded by contributions from the Convention Authority, the City and proceeds from the \$29,735,000 Certificates of Participation issued in November, 2003.

In 2003, the City purchased a building that was acquired for the use as an art center. The building was built in 1940 and is a warehouse/manufacturing structure with approximately 23,000 square feet. The City issued \$1,865,000 in debt to finance renovations to the building. The art center will have visual and performing arts studios, gallery and studio space for children, a gift shop and a kitchen for catered food service.

In 2003, the City purchased 20.5 of acres for Park land South of I-70.

During 2003, the City began preparations for hosting a Lewis and Clark Bicentennial National Signature event, one of only 15 events nationwide. The event will be held in May 2004 and will focus on the 200th anniversary of the explorers' remarkable journey to chart the vast lands that became part of the United States under the Louisiana Purchase.

Beginning in 2003, the City began a residential sanitary sewer lateral program. The voters approved a fee on residential properties which is used to pay for repair of damaged sewer lateral lines.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations relating to those programs. This internal control structure is subject to periodic evaluation by management of the City. The City is required to undergo an annual single audit performed in conformity with the provisions of the Single Audit Act Amendment of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards and the independent auditors' reports on compliance and on internal controls over financial reporting and compliance with and internal control requirements applicable to each major program is included in a separately-issued single audit report.

Budgetary Controls – The City's budget is prepared on a cash basis. The budget sets forth the proposed level of funding of the City's various operating and public service programs. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the department level in the General fund or at the fund level for all other fund types, as they are not departmentalized. The City maintains an encumbrance accounting system as one method of maintaining budgetary control. Unencumbered amounts lapse at year end.

Retirement System.

The City participates in the Missouri Local Government Employees Retirement System. The plan is non-contributory and covers all full-time City employees. The City funds the entire cost of the plan. Contributions, based on actuarial valuations, were 10.2% of gross salaries for general and public works employees, 8.2% for police officers, and 7.7% for fire personnel.

Debt Administration.

Outstanding general obligation bonds at December 31, 2003 totaled \$18,695,000. Under current State statutes, the City has a legal general obligation debt limit of 10% of the most recent assessed valuation. As of December 31, 2003, the City's net bonded indebtedness of \$17,170,568 was well below the legal limit of \$94,555,831, and bonded debt per capita was \$280.62.

Cash Management.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, guaranteed securities of the United States Government and repurchase agreements. The City was able to produce a reasonable return on investments, given current market conditions, for the year ending December 31, 2003. The amount of interest income was \$1,074,252. This represented an average yield of 1.98%.

The objective of the City's investment program is to reduce credit and market risk while maximizing return on idle funds, within the bounds allowed by State statute. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the pledging bank's agent in the City's name.

Risk Management.

The City manages its own risk under a self-insurance program. The program covers health, dental, general liability, property and casualty, and workers' compensation. The City funds this program by annual assessments against the various operating funds to cover current claims, premiums for excess insurance policies, and projected future claims. As a part of this program, the City retains the services of independent insurance administration firms, which handle claims processing. The City purchases commercial insurance for claims in excess of coverage provided by the Internal Service fund and for all other risks of loss.

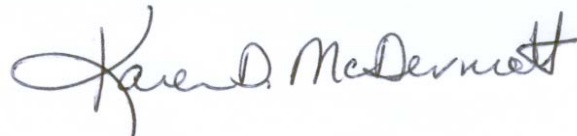
AWARDS AND RECOGNITION

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Saint Charles, Missouri for its Comprehensive Annual Financial Report for the fiscal period ended December 31, 2002. This was the fifteenth consecutive year the City has received this prestigious award since 1988. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR whose contents confirm to program standards. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. I believe that our 2003 CAFR continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to decide its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department for assisting and contributing to its preparation. I would also like to thank your office and the members of the City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,

A handwritten signature in dark ink, reading "Karen D. McDermott". The signature is fluid and cursive, with a large initial "K" and "M".

Karen D. McDermott, CPA
Director of Finance

CITY OF SAINT CHARLES, MISSOURI

List of City Officials

As of December 31, 2003

ELECTED OFFICIALS:

<u>TITLE</u>	<u>NAME</u>	<u>IN YEARS</u>	<u>TERM EXPIRES</u>
Mayor	Patricia York	4	4/07
Councilperson	Rory Riddler	3	4/04
Councilperson	Larry Muench	3	4/04
Councilperson	Dan Nieland	3	4/04
Councilperson	Bob Kneemiller	3	4/04
Councilperson	John Scherr	3	4/04
Councilperson	Richard D. Baum	3	4/04
Councilperson	Dan Gould	3	4/04
Councilperson	John Gieseke	3	4/04
Councilperson	Kevin E. Riggs	3	4/04
Councilperson	Bob Hoepfner	3	4/04
Municipal Court Judge	Dan Barklage	4	4/07

APPOINTED OFFICIALS:

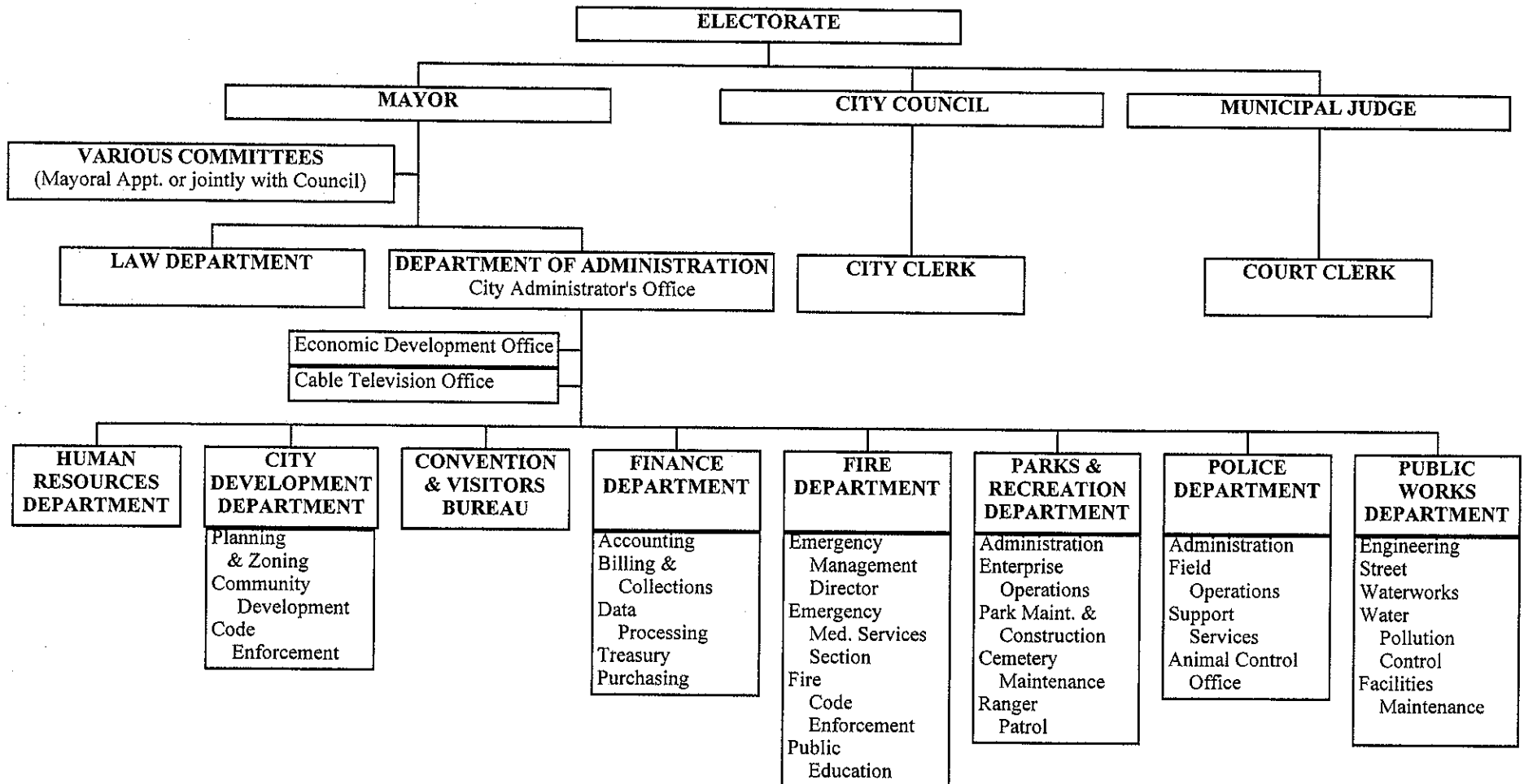
City Administrator	James R. O'Connor
City Clerk	Marilyn McCoy
Director of City Development	Thomas F. Ashburn
Fire Chief	Ernie Rhodes
Police Chief	Dennis Corley, Acting
Director of Public Works	Mike Pratt
Director of Parks	Richard L. Ash, Jr.
Director of Finance	Karen D. McDermott
City Attorney	Michael Valenti
Director of Tourism	Stephen Powell
Director of Economic Development	Nadine Boon
Director of Human Resources	Carie Caskey

APPOINTED COMMISSIONS:

President, Board of Public Works	Gregory Booth
President, Public Park Board	Jackie Yaiser

CITY OF SAINT CHARLES, MISSOURI

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Saint Charles,
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



President

Executive Director



Part II – Financial Section

Rubin, Brown, Gornstein & Co. LLP
Certified Public Accountants
& Business Consultants

One North Brentwood
St. Louis, MO 63105

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F 314.290.3400

www.rbg.com
rbg@rbg.com

Independent Auditors' Report

The Honorable Mayor and Members
of the Board of Aldermen
City of Saint Charles, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saint Charles, Missouri, as of and for the year ended December 31, 2003, which collectively comprise the City of Saint Charles, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Saint Charles, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saint Charles, Missouri, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 7, 2004 on our consideration of the City of Saint Charles, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Honorable Mayor and Members
Of the Board of Aldermen
City of Saint Charles, Missouri

As described in Note 1, during 2003, City of Saint Charles, Missouri, adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosure*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The Management's Discussion and Analysis on pages 3 through 10 and the Budgetary Comparison Information on pages 54 through 58, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Saint Charles, Missouri's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules - supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us, in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Rubin, Brown, Gornstein & Co. LLP

May 7, 2004

Management's Discussion And Analysis

**CITY OF ST. CHARLES, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER, 31, 2003**

This is the first year the City of St. Charles, Missouri has prepared financial statements in accordance with the guidelines prescribed in GASB Statement 34. This discussion and analysis of the City of St. Charles' financial performance is meant to provide an objective and easily readable analysis of the City's financial activities based on current facts and conditions. Please read this in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of St. Charles exceeded its liabilities at the close of the fiscal year by \$113,842,470.
- The City's total net assets increased \$26.5 million. Net assets of business-type activities decreased \$1.2 million (3%), net assets of governmental activities increased by \$27.7 million (55%).
- The negative balance of unrestricted net assets is due to \$35.2 million in TIF related debt, which is not offset on the statements by any governmental activities related capital assets.
- Business-type operations reflected an operating gain of \$1.2 million, but a decrease in net assets of \$1.2 million as operating income is not sufficient to cover all non-operating costs.
- At December 31, 2003, the City of St. Charles' governmental funds reported a combined ending fund balance of \$84.5 million, an increase of \$33.7 million from 2002. The increase is directly attributable to the activity of the new convention facilities fund established to account for the expenditures to build the facility.
- The City's debt increased by \$28.7 million during the current fiscal year. The key factor in this increase was the issuance of debt for the Convention Center project.
- Capital assets used in governmental activities increased \$24.3 million. Primarily reflecting construction in progress for various infrastructure improvements and construction in progress for the convention center.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of St. Charles' financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business type activities separately. These statements include certain infrastructure as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The Statements of Net Assets and Activities report the City's *net assets* and the resulting changes. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its financial health is improving or deteriorating. In evaluating the overall *financial health*, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's services are reported here including police, fire, public works, recreation, administrative, judicial, and legislative and executive.
- **Business-Type Activities** – These services include sewer, water and parking. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 8. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of council, to help control, manage and report money received for a particular purpose or to show the City is meeting legal responsibilities for use of grants. The City of St. Charles' major funds are General, Special Street Construction, Convention Facilities, Sanitary Sewer and Water Works.

Governmental Funds – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

Fiduciary Funds – The City has fiduciary responsibilities for resources held for the benefit of parties outside the government. These assets are restricted in purpose and are not available to support the City's own programs. Therefore, these assets are not presented as a part of the government-wide financial statements.

Notes to the Basic Financial Statements – The notes provide additional information essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements is on page 21 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain *required supplementary information* concerning budgetary comparison schedules for the general fund and each major fund. Required supplementary information can be found on pages 54-58 of this report.

The combining statements for non-major governmental funds are presented immediately following the required supplemental information.

THE CITY AS A WHOLE

The government-wide financial statements for the fiscal year ended December 31, 2003 are the beginning of a new era in financial reporting for the City of St. Charles and many other units of government across the United States. Prior to this year, the City of St. Charles maintained its governmental and proprietary fund groups as two separate and very distinct fund types without a consolidated statement that accurately reflected the operations and net assets of the government as a whole. These statements were basically the equivalent of the fund financial statements that appear in this report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in. Because of the new reporting model, all comparative information is not available this year.

The changes in the financial statement reporting model are mandated by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34 dictated the changes you see in the City of St. Charles financial reports as well as those of many other units of government.

As stated previously, the Statement of Net Assets looks at the City as a whole. The following table provides a condensed statement of net assets as of December 31, 2003:

Table 1: Net Assets
(In Thousands)

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
<u>Assets</u>			
Current and Other Assets	\$ 95,308	\$ 46,231	\$141,539
Capital Assets, Net	99,540	49,639	149,179
Investment in Joint Venture	—	4,797	4,797
Total Assets	<u>194,848</u>	<u>100,667</u>	<u>295,515</u>
<u>Liabilities</u>			
Current and Other Liabilities	17,150	2,807	19,957
Long-Term Liabilities:			
Due within One Year	2,885	1,600	4,485
Due in More Than One Year	97,163	60,067	157,230
Total Liabilities	<u>117,198</u>	<u>64,474</u>	<u>181,672</u>
<u>Net Assets</u>			
Invested in Capital Assets Net of Related Debt	71,099	22,589	93,688
Restricted:			
Capital Projects	24,317	248	24,565
Debt Service	3,794	16	3,810
Other Purposes	2,541	—	2,541
Unrestricted	(24,101)	13,340	(10,761)
Total Net Assets	<u>\$ 77,650</u>	<u>\$ 36,193</u>	<u>\$113,843</u>

Total net assets of the City as a whole increased \$26.5 million.

Net assets of the City's governmental activities increased by \$27.7 million. \$15.7 million relates to an increase in restricted for capital projects relating to the convention center project. Additional amounts relate to various grants received for capital projects. Capital assets in governmental activities increased \$24.3 million primarily reflecting construction in progress for various infrastructure improvements and construction in progress for the convention center project. The negative balance of \$24.1 million in governmental activities unrestricted net assets is due to \$35.2 million in TIF related debt which is not offset by any governmental activities related capital asset.

The net assets of the City's business type activities decreased by \$1.2. Business type activities reflect an operating gain of \$1.2 million, but a decrease in net assets of \$1.2 million as operating income is not sufficient to cover all non-operating costs. The City also had a decrease in its investment in the joint venture during 2003. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.

Table 2 shows the changes in net assets for the year ended December 31, 2003.

Table 2: Changes in Net Assets
(In Thousands)

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
<u>Revenues</u>			
Program Revenues:			
Charges for Services	\$ 4,960	\$10,053	\$15,013
Operating Grants, Contributions and Interest	4,234	—	4,234
Capital Grants and Contributions	19,772	288	20,060
Total Program Revenues	28,966	10,341	39,307
<u>General Revenues:</u>			
Property Taxes	\$ 9,289	—	\$ 9,289
Sales Taxes	14,104	—	14,104
Gaming	15,386	—	15,386
Utility	6,186	—	6,186
Tourism	1,669	—	1,669
TIF Revenues	3,498	—	3,498
Other Taxes	1,378	—	1,378
Transfers	(364)	364	—
Other	689	758	1,447
Total General Revenues	51,835	1,122	52,957
Total Revenues	\$80,801	\$11,463	\$92,264

(continued)

Changes in Net Assets
(In Thousands)
(continued)

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
Expenses:			
General Government	\$11,760	\$ —	\$11,760
Public Improvements	4,555	—	4,555
Public Works	3,239	—	3,239
Public Safety	24,384	—	24,384
Public Works	558	—	558
Convention Center	—	—	—
Other	4,679	—	4,679
Interest and Fiscal Charges	3,955	—	3,955
Waterworks	—	5,663	5,663
Sanitary Sewer Facilities	—	6,619	6,619
Parking	—	350	350
Total Expenses	<u>\$53,130</u>	<u>\$ 12,632</u>	<u>\$ 65,762</u>
Increase(Decrease) in Net Assets	<u><u>\$27,671</u></u>	<u><u>\$ (1,169)</u></u>	<u><u>\$ 26,502</u></u>

Governmental Activities

Capital grants and contributions this year was the largest source of revenue. 2003 was an unusually high amount at \$19.8 million. The majority reflects the \$15.7 million received from the St. Charles County Convention and Sports Facility Authority in accordance with the cooperation agreement entered into in 2003. Additional information can be found in Note 1 and Note 12 to the Basic Financial Statements.

Gaming taxes in 2003 increased \$3.3 million or 27% reflecting a full year of the expansion of the casino facility. The expanded facility opened in August 2002.

Sales taxes in 2003 grew slightly at 1.2% reflecting the slow growth in the economy.

Business-Type Activities

The City's business-type activities include Water, Sewer and Parking.

Water – Charges for services declined 1.4% despite the 2003 rate increase designed to generate an additional 5%. The rate increase was offset by a decline in overall water usage. The total number of customers increased but the average amount used per customer declined as a result of weather conditions. Expenses increased \$248,105 or 4.6% reflecting the increase in interest expense for the 2002 PFA bond issue.

Sewer – Charges for services were up 2.5% reflecting the 2003 rate increase designed to generate 7% offset by the decline in usage. Expenses increased \$432,632 or 7% reflecting the interest expense for the 2002 PFA bond issue.

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 13. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$81.173 million and expenditures of \$80.591 million.

The general fund is the chief operating fund of the City of St. Charles. As of December 31, 2003 the general fund unreserved fund balance was \$10.3 million. The general fund had a decrease of \$.110 from 2002.

The special street construction fund accounts for the use of federal, state and county grants for road projects. 2003 results reflect the use of \$3.429 million in grant funds up \$.809 million from 2002, primarily due to Randolph Street reconstruction. The City has over \$10 million in various street construction grants awarded, for which work will continue or commence in 2004.

The convention facilities fund was established in 2003 to account for the expenditures to build the Convention Center Building. Certificates of participation were issued in November 2003. Additionally, \$15.691 million from St. Charles County Convention and Sports Facilities Authority was received to be utilized to construct the facility. The majority of these funds will be utilized in 2004 with the project expected to be completed in 2005.

Non-major governmental funds had a net fund balance increase of \$1,441,216. The increase reflects the funds for debt service in the convention center operations fund (\$5,781,688) offset by the use of the final bond proceeds of \$2,246,958 in the justice center fund and over \$3 million for various other capital projects utilizing funds accumulated in prior years.

Each enterprise fund reflects a net loss for 2003 as fees have historically been set to cover cash flow needs. In 2003, the waterworks and sanitary sewer fund had a net decrease in cash reflecting the use of bond proceeds (issued in prior years) for capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is adopted on a fund basis. Differences between the original budget and the final amended budget (\$1,322,188 increase in appropriations) can be briefly summarized as follows:

- \$1,176,691 for various open contracts and capital projects not completed in the prior fiscal year.
- \$13,726 incorporation of certain grant awards received after budget was prepared.
- \$83,700 for unanticipated buyout of employees.
- \$48,071 for other items, primarily unanticipated additional municipal election costs.

On a budgetary basis, which can be found in the Required Supplementary Information, the revenues over expenditures resulted in an excess of \$329,131. As mentioned in the highlights, increases in gaming taxes helped to offset decreases in sales tax, utility tax and interest earnings. Actual expenditures were \$1,096,644 below budget primarily reflecting \$613,119 for various open contracts and capital projects that will be completed in 2004. The remaining variance (1.6%) is primarily the result of open positions during some portion of the year in various departments combined with cost containment efforts by department heads.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The amount invested in capital assets for the City at December 31, 2003, is \$149,179,130, net of accumulated depreciation. This amount includes all infrastructure assets acquired during 2003. The following table breaks down the City's capital asset balance into the various categories of assets.

Table 3: Capital Assets
(Net of depreciation)
(In Thousands)

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
Land	\$27,017	\$ 618	\$ 27,635
Land Improvements	13,936	—	13,936
Building and Improvements	21,241	41,563	62,804
Furniture, Fixtures and Equipment	7,473	3,960	11,433
Infrastructure	10,515	—	10,515
Construction in Progress	19,358	3,498	22,856
Totals	<u>\$99,540</u>	<u>\$49,639</u>	<u>\$149,179</u>

Major capital asset transactions during the year include the following additions and disposals:

- Building and improvements increased due to the completion of the new Criminal Justice facility.
- Construction in progress in governmental activities consists of \$19.4 million. \$6.7 million is a result of the start of the convention center project. The majority of the remainder is for various road construction projects.

Additional information on the City's capital assets can be found in Note 4 to the Basic Financial Statements.

Debt

At December 31, 2003, the City of St. Charles had \$162.535 million in bonded debt. Of this, \$18.695 in debt is back by the full faith and credit of the City.

Table 4:
Outstanding Debt at Year End
(in thousands)

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
Certificates of Participation	\$31,600	\$ —	\$ 31,600
General Obligation Bonds	18,695	—	18,695
PFA Leasehold Revenue Bonds	13,970	63,080	77,050
Tax Increment Revenue Notes	35,190	—	35,190
Totals	<u>\$99,455</u>	<u>\$63,080</u>	<u>\$162,535</u>

The City of St. Charles was upgraded by Moody's Investor Service to Aa3 during 2003. This bond rating is a clear indication of the sound financial condition of the City of St. Charles. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

The City of St. Charles's total debt increased \$28.7 million during the year primarily due to the issuance of \$29.7 million in Certificates of Participation for the convention center project.

During 2003 the City refinanced previously outstanding general obligation bonds resulting in expected decrease in future debt service payments by \$406,000.

Missouri statutes limit the amount of general obligation debt that a unit of government can issue to 10% of the total assessed valuation of taxable property located within the City boundaries. The legal debt margin for the City is \$77,385,263. Additional information regarding the City's long-term debt can be found in Note 7 to the Basic Financial Statements.

Economic Outlook

The City of St. Charles has been fortunate to be somewhat buffered from the economic woes of the rest of the state and nation. City revenues are not growing at the same pace as during the 1990's. However, St. Charles continues to have a stable economy with low unemployment and continued growth, albeit slow growth, in sales tax revenue. Population growth is continuing in St. Charles and St. Charles County.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayer, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Karen McDermott, Finance Director, City of St. Charles, 200 N. Second Street, St. Charles, Missouri, 63301.



Basic Financial Statements

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF NET ASSETS

December 31, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Pooled cash and investments	\$ 33,133,903	\$ 8,489,427	\$ 41,623,330
Receivables (net):			
Taxes	8,885,384	—	8,885,384
Notes	10,000	8,000	18,000
Intergovernmental	4,296,223	—	4,296,223
Services	162,155	1,497,135	1,659,290
Interest	2,481	190,146	192,627
Other	2,110,667	29,776	2,140,443
Internal balances	130,000	(130,000)	—
Inventories	—	54,937	54,937
Prepays	3,636	—	3,636
Bond issue costs	497,781	800,685	1,298,466
Restricted Assets:			
Pooled cash and investments	474,873	294,419	769,292
Held by Trustee	43,080,842	35,263,810	78,344,652
Advances to (from) other funds	475,000	(475,000)	—
Long-term receivables	2,045,452	207,027	2,252,479
Investment in joint venture	—	4,796,637	4,796,637
Capital assets:			—
Non depreciable	46,375,476	4,116,038	50,491,514
Depreciable - net	53,164,611	45,523,005	98,687,616
Total Assets	194,848,484	100,666,042	295,514,526
Liabilities			
Accounts payable	4,422,212	980,625	5,402,837
Accrued payroll	1,125,308	80,043	1,205,351
Accrued vacation and sick leave	1,615,748	90,150	1,705,898
Accrued interest payable	7,033,878	1,320,571	8,354,449
Other liabilities	7,415	46,310	53,725
Deferred revenues	1,420,902	—	1,420,902
Deposits and escrow funds	—	289,250	289,250
Claims payable	1,525,000	—	1,525,000
Long-term liabilities:			
Due within one year	2,885,000	1,600,000	4,485,000
Due in more than one year	97,163,005	60,066,639	157,229,644
Total Liabilities	117,198,468	64,473,588	181,672,056
Net Assets			
Investment in capital assets, net of related debt	71,098,969	22,588,819	93,687,788
Restricted for:			
Capital projects	24,317,116	248,142	24,565,258
Debt service	3,794,188	15,341	3,809,529
Other purposes	2,541,018	—	2,541,018
Unrestricted	(24,101,275)	13,340,152	(10,761,123)
Total Net Assets	\$ 77,650,016	\$ 36,192,454	\$ 113,842,470

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2003

Functions	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 11,759,915	\$ 692,314	\$ 725,500	\$ —	\$ (10,342,101)	\$ —	\$ (10,342,101)
Public improvements	4,554,634	—	—	—	(4,554,634)	—	(4,554,634)
Public parks	3,239,405	1,551,374	—	284,575	(1,403,456)	—	(1,403,456)
Public safety	24,384,172	1,973,586	35,668	35,580	(22,339,338)	—	(22,339,338)
Public works	556,800	697,741	3,472,543	3,760,724	7,374,208	—	7,374,208
Convention Center	—	—	—	15,690,870	15,690,870	—	15,690,870
Other	4,679,180	44,620	—	—	(4,634,560)	—	(4,634,560)
Interest on long-term debt	3,955,323	—	—	—	(3,955,323)	—	(3,955,323)
	53,129,429	4,959,635	4,233,711	19,771,749	(24,164,334)	—	(24,164,334)
Business-Type Activities							
Waterworks	5,662,733	4,656,970	—	90,700	—	(915,063)	(915,063)
Sanitary sewer	6,618,732	5,191,159	—	197,532	—	(1,230,041)	(1,230,041)
Parking facilities	350,043	204,686	—	—	—	(145,357)	(145,357)
	12,631,508	10,052,815	—	288,232	—	(2,290,461)	(2,290,461)
Total Government	\$ 65,760,937	\$ 15,012,450	\$ 4,233,711	\$ 20,059,981	\$ (24,164,334)	\$ (2,290,461)	\$ (26,454,795)
General Revenues:							
Property taxes levied for:							
General purposes					\$ 5,443,803	\$ —	\$ 5,443,803
Parks					2,422,453	—	2,422,453
Debt service					1,422,686	—	1,422,686
Sales tax levied for:							
General purposes					9,515,155	—	9,515,155
Capital improvements					4,589,209	—	4,589,209
Gaming taxes					15,385,644	—	15,385,644
Utility taxes					6,185,608	—	6,185,608
Tourism and hotel taxes					1,669,252	—	1,669,252
TIF Revenues:							
Levied by City					981,242	—	981,242
Levied by other taxing districts					2,517,015	—	2,517,015
Other taxes					1,377,536	—	1,377,536
Earnings on investments					620,652	453,600	1,074,252
Sale of capital assets					63,838	—	63,838
Other revenues					4,735	303,991	308,726
Transfers					(364,000)	364,000	—
Total General Revenues					51,834,828	1,121,591	52,956,419
Change in net assets					27,670,494	(1,168,870)	26,501,624
Net Assets - Beginning Of Year					49,979,522	37,361,324	87,340,846
Net Assets - End Of Year					\$ 77,650,016	\$ 36,192,454	\$ 113,842,470

CITY OF SAINT CHARLES, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2003

	Major Funds			Nonmajor Funds	
	General	Special Street Construction	Convention Facilities	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments:					
Held by trustees	\$ —	\$ —	\$ 34,123,843	\$ 8,956,999	\$ 43,080,842
Restricted	129,434	—	—	—	129,434
Unrestricted	6,109,510	—	—	26,140,387	32,249,897
Receivables, net of allowances where applicable:					
Taxes	4,779,689	—	—	4,105,695	8,885,384
Notes	—	—	—	2,055,452	2,055,452
Grants	23,519	3,833,440	—	439,264	4,296,223
Services	162,155	—	—	—	162,155
Other	322,213	—	14,895	1,773,690	2,110,798
Due from other funds	1,989,180	—	—	130,000	2,119,180
Advance to other fund	—	—	—	475,000	475,000
Total Assets And Other Debits	\$ 13,515,700	\$ 3,833,440	\$ 34,138,738	\$ 44,076,487	\$ 95,564,365
Liabilities And Fund Balances					
Liabilities					
Accounts payable	\$ 223,644	\$ 493,166	\$ 1,754,786	\$ 1,950,616	\$ 4,422,212
Accrued payroll	889,485	—	—	235,823	1,125,308
Accrued vacation and sick leave pay	1,328,964	—	—	286,784	1,615,748
Deferred revenue	319,711	1,351,094	—	278,022	1,948,827
Due to other funds	—	1,989,180	—	—	1,989,180
Other liabilities	7,415	—	—	—	7,415
Total Liabilities	2,769,219	3,833,440	1,754,786	2,751,245	11,108,690
Fund Balances					
Reserved for:					
Encumbrances	323,046	961,208	6,409,747	4,768,112	12,462,113
Capital projects	—	(961,208)	25,974,205	14,692,698	39,705,695
Home improvement loans	—	—	—	2,177,672	2,177,672
Debt service	—	—	—	7,352,642	7,352,642
Future purchase of cemetery land	—	—	—	233,912	233,912
Advances to other funds	—	—	—	475,000	475,000
DWI Drug Enforcement	129,434	—	—	—	129,434
Unreserved, reported in:					
General fund	10,294,001	—	—	—	10,294,001
Special revenue funds	—	—	—	11,513,679	11,513,679
Permanent fund	—	—	—	111,527	111,527
Total Fund Balances	10,746,481	—	32,383,952	41,325,242	84,455,675
Total Liabilities And Fund Balances	\$ 13,515,700	\$ 3,833,440	\$ 34,138,738	\$ 44,076,487	\$ 95,564,365

CITY OF SAINT CHARLES, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

December 31, 2003

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$ 84,455,675
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$117,165,255 and the accumulated depreciation is \$17,625,168.	99,540,087
Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements,. However, revenue for this amount is recognized in the government-wide statements.	527,925
The internal service fund is used by management to charge the costs of insurance to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	(289,569)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Discounts, premiums and bond issuance costs are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.	
Balances as of December 31, 2003 are:	
Accrued compensated absences	(1,745,825)
Accrued interest on outstanding debts as of year end 2003	(7,033,878)
Bonds and notes payable	(99,455,000)
Unamortized bond issue costs	497,781
Unamortized bond discount	847,002
Unamortized deferred refunding	305,818
Total Net Assets - Governmental Activities	\$ 77,650,016

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For The Year Ended December 31, 2003

	Major Funds			Nonmajor Funds	
	Special		Convention	Other	Total
	General	Construction Fund	Facilities Fund	Governmental Funds	Governmental Funds
Revenues					
Taxes, including interest and penalties	\$ 25,636,070	\$ —	\$ —	\$ 29,120,568	\$ 54,756,638
Federal, state and county grants	40,588	3,429,159	—	1,037,890	4,507,637
Intergovernmental revenue from					
St. Charles County Convention and					
Sports Authority	—	—	15,690,870	—	15,690,870
Licenses, permits, fines and fees	2,741,917	—	—	2,049,101	4,791,018
Interest on investments	494,731	—	29,667	98,081	622,479
Other	373,879	—	—	430,609	804,488
Total Revenues	29,287,185	3,429,159	15,720,537	32,736,249	81,173,130
Expenditures					
Current:					
General government	5,275,096	—	—	5,933,529	11,208,625
Public improvements	—	—	—	4,479,928	4,479,928
Public parks	—	—	—	2,617,052	2,617,052
Public safety	23,351,680	—	—	—	23,351,680
Public services	—	—	—	241,036	241,036
Public works	565,877	—	—	—	565,877
Other	—	—	—	11,336	11,336
Capital outlay	551,023	3,429,159	6,690,502	20,297,714	30,968,398
Debt service:					
Principal retirement	—	—	—	3,340,000	3,340,000
Interest and fiscal charges	—	—	—	2,874,922	2,874,922
Advance refunding escrow agent	—	—	—	213,613	213,613
Bond issue costs	—	—	604,243	114,594	718,837
Total Expenditures	29,743,676	3,429,159	7,294,745	40,123,724	80,591,304
Revenues Over (Under) Expenditures	(456,491)	—	8,425,792	(7,387,475)	581,826
Other Financing Sources (Uses)					
Transfers in	346,000	—	—	1,620,991	1,966,991
Transfers out	—	—	—	(2,330,991)	(2,330,991)
General obligation bonds issued	—	—	—	2,555,000	2,555,000
Certificates of participation issued	—	—	23,958,160	7,641,840	31,600,000
Tax increment financing notes issued	—	—	—	1,776,000	1,776,000
Sale of fixed assets	—	—	—	63,838	63,838
Payment to refunding bond escrow agent	—	—	—	(2,497,987)	(2,497,987)
Total Other Financing Sources (Uses)	346,000	—	23,958,160	8,828,691	33,132,851
Net Changes In Fund Balances	(110,491)	—	32,383,952	1,441,216	33,714,677
Fund Balances					
Beginning of year	10,856,972	—	—	39,884,026	50,740,998
End of year	\$ 10,746,481	\$ —	\$ 32,383,952	\$ 41,325,242	\$ 84,455,675

CITY OF SAINT CHARLES, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2003

Net Change In Fund Balances - Total Governmental Funds

\$ 33,714,677

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statements of activities, assets with an initial, individual cost of more than \$5,000 for general, \$100,000 for traffic signals and \$250,000 for streets, stormwater and infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.

Donated assets are not recorded in the governmental funds but are recognized as revenue in the statement of activities. This is the amount by which capital outlays and donated capital assets exceeded depreciation in the current period.

24,268,185

The internal service fund used by management to charge the cost of insurance to individual funds is reported in the entity-wide statement of activities.

114,940

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.

Proceeds from general obligation bonds payable	\$ (2,555,000)	
Proceeds from certificates of participation	(31,600,000)	
Tax increment financing notes issued	(1,776,000)	
Payment to escrow agent	2,535,000	
Repayment of bond principal	3,340,000	(30,056,000)

Under the modified accrual basis of accounting used in governmental funds the effect of issuance costs, discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect of these differences is as follows:

Accrued interest on bonds	(987,674)	
Compensated absences	(113,308)	
Discount on debt issuances, net of amortization	462,665	
Deferred bond issuance costs, net of amortization	184,954	
Deferred amount of refunding, net of amortization	155,091	(298,272)

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year.

(73,036)

Change In Net Assets Of Governmental Activities

\$ 27,670,494

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

December 31, 2003

	Business Type Activities - Enterprise Funds				
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Waterworks	Sanitary Sewer	Parking Facilities		
Assets					
Current Assets					
Cash and cash equivalents:					
Held by trustees	\$ 11,378,177	\$ 23,885,633	\$ —	\$ 35,263,810	\$ —
Customer deposits	294,419	—	—	294,419	—
Unrestricted	2,965,140	5,385,649	138,638	8,489,427	1,229,445
Receivables, net of allowances:					
Services	680,205	816,930	—	1,497,135	—
Interest	57,567	132,579	—	190,146	—
Other	29,776	—	—	29,776	2,350
Inventory, at cost	54,937	—	—	54,937	—
Prepaid expenses	—	—	—	—	3,636
Total current assets	15,460,221	30,220,791	138,638	45,819,650	1,235,431
Loans receivable	—	215,027	—	215,027	—
Bond acquisition costs	249,612	551,073	—	800,685	—
Investment in joint venture	4,796,637	—	—	4,796,637	—
Land, other assets and construction in progress, nondepreciable	2,701,645	1,237,393	177,000	4,116,038	—
Other capital assets	20,435,413	50,734,658	6,861,260	78,031,331	—
Less: Accumulated depreciation	(7,184,860)	(22,227,626)	(3,095,840)	(32,508,326)	—
Capital assets - net	15,952,198	29,744,425	3,942,420	49,639,043	—
Total Assets	36,458,668	60,731,316	4,081,058	101,271,042	1,235,431
Liabilities					
Current Liabilities:					
Accounts payable	418,909	560,080	1,636	980,625	—
Accrued payroll	57,945	20,184	1,914	80,043	—
Accrued vacation and sick leave pay	69,178	18,970	2,002	90,150	—
Accrued interest payable	440,740	879,831	—	1,320,571	—
Current portion of revenue bonds payable	519,100	1,080,900	—	1,600,000	—
Due to other funds	—	—	130,000	130,000	—
Claims payable	—	—	—	—	1,525,000
Other current liabilities	43,026	295	2,989	46,310	—
Total current liabilities	1,548,898	2,560,260	138,541	4,247,699	1,525,000
Current liabilities (payable from restricted assets):					
Deposits payable	289,250	—	—	289,250	—
Total current liabilities	1,838,148	2,560,260	138,541	4,536,949	1,525,000
Long-term portion of revenue bonds payable (net of unamortized discounts and unamortized refunding loss)	19,815,410	40,164,044	—	59,979,454	—
Advance from other fund	—	—	475,000	475,000	—
Noncurrent accrued vacation and sick leave pay	79,332	6,421	1,432	87,185	—
Total Liabilities	21,732,890	42,730,725	614,973	65,078,588	1,525,000
Net Assets					
Invested in capital assets, net of related debt	6,764,137	11,882,262	3,942,420	22,588,819	—
Restricted for capital projects	125,475	122,667	—	248,142	—
Restricted for debt service	7,671	7,670	—	15,341	—
Unrestricted	7,828,495	5,987,992	(476,335)	13,340,152	(289,569)
Total Net Assets	\$ 14,725,778	\$ 18,000,591	\$ 3,466,085	\$ 36,192,454	\$ (289,569)

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For The Year Ended December 31, 2003

	Business Type Activities - Enterprise Funds				
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Waterworks	Sanitary Sewer	Parking Facilities		
Operating Revenues					
Metered water sales	\$ 4,656,970	\$ —	\$ —	\$ 4,656,970	\$ —
Sewer fees	—	5,191,159	—	5,191,159	—
Garage gate and surface parking lot collections	—	—	204,686	204,686	—
Charges for services	—	—	—	—	6,121,585
Other	302,696	1,215	80	303,991	—
Total Operating Revenues	4,959,666	5,192,374	204,766	10,356,806	6,121,585
Operating Expenses					
Labor	1,633,175	596,381	61,969	2,291,525	—
Contracted services	363,496	1,494,774	2,542	1,860,812	—
Administrative and general	11,509	11,424	1,411	24,344	—
Purchased water	946,332	—	—	946,332	—
Utilities and fuels	214,300	327,800	—	542,100	—
Repairs and maintenance	50,226	64,132	10,351	124,709	—
Materials and supplies	307,019	25,915	—	332,934	—
Claims expense and insurance	—	—	—	—	6,006,645
Depreciation	867,630	1,798,984	273,770	2,940,384	—
Bad debt expense	9,837	10,255	—	20,092	—
Amortization	35,362	77,206	—	112,568	—
Other	2,365	—	—	2,365	—
Total Operating Expenses	4,441,251	4,406,871	350,043	9,198,165	6,006,645
Operating Income (Loss)	518,415	785,503	(145,277)	1,158,641	114,940
Nonoperating Revenues (Expenses)					
Interest income	183,632	269,968	—	453,600	—
Interest expense	(1,121,438)	(2,211,861)	—	(3,333,299)	—
Equity loss in joint venture	(100,044)	—	—	(100,044)	—
Total Nonoperating Revenues (Expenses)	(1,037,850)	(1,941,893)	—	(2,979,743)	—
Income (Loss) Before Operating Transfers And Capital Contributions	(519,435)	(1,156,390)	(145,277)	(1,821,102)	114,940
Operating Transfers					
Transfers in	400,000	300,000	—	700,000	—
Transfers out	(168,000)	(168,000)	—	(336,000)	—
Total Operating Transfers	232,000	132,000	—	364,000	—
Net Income (Loss) Before Capital Contributions	(287,435)	(1,024,390)	(145,277)	(1,457,102)	114,940
Capital Contributions	90,700	197,532	—	288,232	—
Change In Net Assets	(196,735)	(826,858)	(145,277)	(1,168,870)	114,940
Net Assets - Beginning Of Year	14,922,513	18,827,449	3,611,362	37,361,324	(404,509)
Net Assets - End Of Year	\$ 14,725,778	\$ 18,000,591	\$ 3,466,085	\$ 36,192,454	\$ (289,569)

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For The Year Ended December 31, 2003

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total	
	Waterworks	Sanitary Sewer	Parking Facilities	Enterprise Funds	
Cash Flows From Operating Activities					
Cash received from customers	\$ 4,700,496	\$ 5,190,216	\$ 204,766	\$ 10,095,478	\$ —
Customer deposits received, net	65,004	—	—	65,004	—
Cash received from other funds for services provided	—	—	—	—	6,121,585
Other operating cash receipts	277,252	1,215	—	278,467	—
Cash paid to employees for services	(1,633,325)	(595,531)	(60,484)	(2,289,340)	—
Cash payments to suppliers for goods and services	(2,042,430)	(1,867,846)	(12,700)	(3,922,976)	—
Cash payments for premiums and claims	—	—	—	—	(5,630,524)
Other operating disbursements	(11,595)	—	—	(11,595)	—
Net Cash Provided By Operating Activities	1,355,402	2,728,054	131,582	4,215,038	491,061
Cash Flows From Noncapital Financing Activities					
Advances from other funds	400,000	300,000	—	700,000	—
Transfers to other funds	(168,000)	(168,000)	—	(336,000)	—
Net Cash Provided By Noncapital Financing Activities	232,000	132,000	—	364,000	—
Cash Flows From Capital And Related Financing Activities					
Principal paid on revenue bonds	(490,100)	(914,900)	—	(1,405,000)	—
Interest paid on revenue bonds	(1,085,818)	(2,163,872)	—	(3,249,690)	—
Payment on advance from other fund/loan repayments	—	61,455	(130,000)	(68,545)	—
Contributions from developers	90,700	197,532	—	288,232	—
Acquisition and construction of capital assets	(1,354,997)	(1,056,655)	4,296	(2,407,356)	—
Net Cash Used In Capital And Related Financing Activities	(2,840,215)	(3,876,440)	(125,704)	(6,842,359)	—
Cash Flows Provided By Investing Activities					
Interest received on investments	134,366	146,435	—	280,801	—
Net Increase (Decrease) In Cash And Cash Equivalents	(1,118,447)	(869,951)	5,878	(1,982,520)	491,061
Cash And Cash Equivalents - Beginning Of Year	15,756,183	30,141,233	132,760	46,030,176	738,384
Cash And Cash Equivalents - End Of Year	\$ 14,637,736	\$ 29,271,282	\$ 138,638	\$ 44,047,656	\$ 1,229,445
Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities					
Operating income (loss)	\$ 518,415	\$ 785,503	\$ (145,277)	\$ 1,158,641	\$ 114,940
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	867,630	1,798,984	273,770	2,940,384	—
Bad debt expense	9,837	10,255	—	20,092	—
Amortization	35,362	77,206	—	112,568	—
Change in assets and liabilities:					
(Increase) decrease in services receivable	43,526	(943)	—	42,583	—
(Increase) decrease in other receivable	(25,444)	—	—	(25,444)	1,121
Increase in inventory	(9,230)	—	—	(9,230)	—
Increase (decrease) in accounts payable	(137,440)	56,281	1,405	(79,754)	—
Increase in accrued payroll	3,410	1,375	304	5,089	—
Increase in claims payable	—	—	—	—	375,000
Increase (decrease) in accrued vacation and sick leave pay	(3,560)	(525)	1,181	(2,904)	—
Increase in deposits	65,004	—	199	65,203	—
Decrease in other liabilities	(12,108)	(82)	—	(12,190)	—
Net Cash Provided By Operating Activities	\$ 1,355,402	\$ 2,728,054	\$ 131,582	\$ 4,215,038	\$ 491,061
Noncash Transactions Affecting Financial Position					
Equity loss in joint venture	\$ 100,044	\$ —	\$ —	\$ 100,044	\$ —

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS AGENCY FUNDS

For The Year Ended December 31, 2003

	Contractors' Guarantee	Bail Bond	Mark Twain Mall TDD	Total
Assets				
Cash and investments - restricted	\$ 375,203	\$ 46,873	\$ 88,843	\$ 510,919
Liabilities				
Due to other taxing districts	\$ —	\$ —	\$ 88,843	\$ 88,843
Deposits payable held in escrow	375,203	46,873	—	422,076
Total Liabilities	\$ 375,203	\$ 46,873	\$ 88,843	\$ 510,919

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2003

1. Summary Of Significant Accounting Policies

The City of Saint Charles, Missouri (the City), was incorporated as the Town of Saint Charles on November 2, 1809 by the Court of Common Pleas, District of St. Charles. By an act of the General Assembly on March 10, 1849, it became the City of St. Charles, Missouri, by special charter. The City now operates under a Home Rule Charter adopted in 1982 in accordance with the provisions of the Missouri Constitution and provides the following services: public safety (police and fire), public works, public improvements, water and sanitation, recreation, community development, planning and zoning and general administrative services.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The Government Standards Accounting Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City applies all applicable pronouncements of the Financial Accounting Standards Board (FASB), issued before November 30, 1989, in accounting and reporting for its proprietary operations unless these pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement of Financial Accounting Standards No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

The more significant accounting and reporting policies established in GAAP and practiced by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements). The City has elected to implement the general provisions of the Statement in current year and plans to retroactively report certain infrastructure (major infrastructure assets acquired prior to January 1, 2003) when the City finalizes the implementation of GASB No. 34.

The Financial Reporting Entity

The City defines its reporting entity to include all component units for which the City's governing body is financially accountable. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the relationship must have the potential for creating specific financial benefits to, or impose specific financial burdens on, the City. The City's financial reporting entity consists of the City and its component unit. The component unit discussed below is included in the City's financial reporting entity because of the significance of its operational and financial relationship with the City.

Blended Component Unit

The following component unit is legally separate from the City; however, its activities are so intertwined with the City as the primary government that it is, in substance, the same as the primary government. As such, the balances and transactions of this component unit are blended into the basic financial statements and are reported in a manner similar to the balances and transactions of the City itself.

City Of St. Charles, Missouri, Public Facilities Authority (PFA)

The PFA is a not-for-profit corporation created by Ordinance of the City Council, organized and existing under the laws of the state of Missouri. Board members are appointed by the Mayor of the City for a three-year term and must be approved by City Council. The PFA is accounted for as if it were part of the City's operations because it was established to provide benefits exclusively for the public facility needs of the City. Separate financial statements are not prepared for the PFA.

Joint Ventures

The City has entered into the following multigovernmental arrangements creating organizations that are owned, operated, or governed by two or more participants as separate and specific activities subject to joint control, in which the City retains an ongoing financial interest or an ongoing financial responsibility.

St. Peters-St. Charles Water Pipeline Project (Water Pipeline Project)

The Water Pipeline Project was formed under the laws of the state of Missouri on October 2, 1985. The purpose of the Water Pipeline Project is to construct and operate a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of St. Louis, Missouri, to the separate facilities of the municipalities of St. Peters, Missouri, and St. Charles, Missouri, in order to adequately supply water by the pipeline to the citizens and businesses of the municipalities. The Water Pipeline Project is owned by the City of St. Peters (31.8%) and the City of St. Charles (68.2%). The City of St. Peters is responsible for managing and accounting for the daily operations of the Water Pipeline Project, except when concurrence of both cities is required. Additional information regarding the Water Pipeline Project is provided in Note 12

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Convention Center Project

The City and the St. Charles County Convention & Sports Facility Authority (the Authority) entered into a Convention Center Agreement (Cooperation Agreement) to contract and cooperate with each other and any private corporation for the planning, development, construction, acquisition or operation of a public improvement or facility as authorized under RSMo 70.210 to 70.320. Specifically, the Cooperation Agreement provides for the joint financing, construction and operation of a convention center facility and all related improvements.

The Authority will own an undivided $\frac{3}{4}$ interest and the City will own an undivided $\frac{1}{4}$ interest in the Convention Center Building. The City will retain ownership of the land for the project and lease the property to the Authority and to the Hotel Developer. Additional information regarding the Convention Center Project is provided for in Note 12.

Related Organization

The City's officials are also responsible for appointing members to the board of St. Charles Housing Authority, but the City's accountability for this organization does not extend beyond making such appointments. Accordingly, this related organization is not included as a component unit within the City's financial reporting entity.

Jointly Governed Organization

The City has entered into a multigovernmental arrangement creating the St. Charles City-County Library Board, which is governed by representatives from each of the participating governments. This organization is not considered to be a joint venture as the City does not retain an ongoing financial interest in or responsibility for the organization. Additionally, this entity does not meet the criteria for inclusion as a component unit in the primary government's financial reporting entity. Accordingly, the St. Charles City-County Library Board is considered a jointly governed organization.

Basis Of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties. The government-wide financial statements report net assets in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as general revenues. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are three categories of funds: governmental, proprietary and fiduciary.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Governmental Fund Type

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's major governmental funds:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Street Construction Fund - The special street construction fund is used to account for the construction expenditures for projects which are funded by federal, state, and county grants.

Convention Facilities Fund - The convention facilities fund is used to account for the construction expenditures of the convention center.

The other governmental funds of the City are considered nonmajor. They are special revenue funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, a debt service fund, capital project funds which account for financial resources to be used for acquisition or construction of capital facilities and a permanent fund which is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

Proprietary Fund Type

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. The following are the City's Proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has two enterprise funds which are considered major funds as follows:

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Major Funds

Waterworks Fund - The waterworks fund is used to account for the collection of revenue and operating expenditures related to water services provided by the City for its customers.

Sanitary Sewer - The sanitary sewer fund is used to account for the collection of revenue and operating expenditures related to sanitary sewer services provided by the City for its customers.

Non Major Fund

Parking Facilities - The parking facilities fund is used to account for the collection of revenue and operating expenses related to parking facilities owned by the City.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City. The City's internal service fund reports on a self-insurance program for employee medical and dental benefits, workers' compensation, general liability and various other risk management services.

Fiduciary Fund Type – Agency Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's agency funds account for performance bonds pledged by contractors, municipal court collections for bail bonds and the Mark Twain Mall Transportation Development District (TDD).

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds used the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange And Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Deferred Revenues

Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Certain grants received before eligibility requirements are met are reported as deferred revenues.

In governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Inventories

Purchases of materials and supplies in the governmental fund types are charged to expenditures as incurred. Amounts of inventories in such funds are immaterial. For the enterprise funds, inventories are recorded at cost using the first-in, first-out method and the expense is recognized when inventories are consumed in operations.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Capital Assets

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more for general capital assets, \$100,000 or more for signals, \$250,000 or more for streets and stormwater, \$250,000 or more for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with the transitional provision of GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) have not been fully capitalized retroactively at December 31, 2003 but will be over the next four years.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	50
Water and sewer lines	50
Streets, bridges and sidewalks	20 – 50
Furniture and other equipment	5 – 20
Vehicles	8
Computer equipment	5
Software	5
Land improvement	20
Outdoor recreation	20

One-half year of depreciation is taken in the year the assets are acquired or retired. Fully depreciated assets are included in the accounts until their disposal.

Accumulated Unpaid Vacation, Compensatory Time And Sick Leave

City employees earn vacation during the current year which must be taken in the subsequent year. Accrued vacation time is payable to employees upon termination. Accrued compensatory time is payable 100% to employees upon termination. Sick leave is vested and 25% of total accumulated sick days and total accumulated sick days (subject to a minimum of 12 days) are paid at 25% up to 120 days and 50% in excess of 120 days not to exceed 30 days, is payable upon termination.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Accumulated unpaid vacation, compensatory time, and sick leave are accrued as earned. These amounts are recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if the amount is due at year end and payable with current resources.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported adjusted by the applicable bond premium or discount and bond issuance costs.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Deferred Amount On Refunding

In the government-wide financial statements, the deferred amount on refunding is recorded as a reduction of the debt obligation. The deferred amount on refunding is computed as the difference between the reacquisition price and the net carrying amount of the old debt which includes unamortized bond issuance costs. This deferred amount on refunding is amortized as a component of interest expense over the remaining life of the bonds using the straight-line method, since results of the straight-line method are not materially different from the effective interest method.

In the fund financial statements, the deferred amount on refunding is not recorded in governmental funds. The accounting for the proprietary fund is the same in the fund financial statements as it is in the government-wide financial statements.

Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expensed are recorded as other financing sources (uses) in the governmental fund financial statements.

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund balances of governmental fund types and additions or deductions of contributed capital or retained earnings, as appropriate, of the proprietary fund type.

Net Assets

In the government-wide and proprietary fund financial statements, net assets are displayed in three components as follows:

Invested In Capital Assets, Net Of Related Debt - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Investment In Joint Venture

The City’s investment in the St. Peters-St. Charles Water Pipeline Project (Joint Venture) is recorded on the equity method of accounting.

Statement Of Cash Flows

The proprietary fund types and similar nonexpendable trust fund consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Estimates And Assumptions

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year end and revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Cash And Investments

The City maintains a cash and investment pool available to all City funds. For financial reporting purposes, investments are allocated in proportion to each fund’s cash balance to the total cash balance. In accordance with the City’s budget ordinance, the majority of interest on investments is considered earned by the general fund except for earnings otherwise legally restricted for a specific purpose. Income from investments associated with one fund is not assigned to another fund for other than legal or contractual reasons.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Missouri state statutes and City investment policies authorize the City to invest in obligations of the U.S. Treasury and U.S. government agencies, the state of Missouri, and local governments within Missouri. Deposits in financial institutions must be collateralized by securities pledged to the City by these same financial institutions.

At year end, the carrying amount of the City's deposits was \$32,065,745 and the bank balance was \$32,682,255. Of the bank balance, \$200,000 was covered by federal depository insurance and \$32,482,255 was covered by collateral held by the pledging bank's agent in the City's name.

Investments are shown at fair value based on quoted market prices.

The City's investments are categorized below to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

	Category			Carrying Value
	1	2	3	
Investments:				
U.S. Treasury obligations	\$ 1,260,742	\$ —	\$ —	\$ 1,260,742
U.S. government agency securities	29,150,120	—	—	29,150,120
Repurchase agreement	8,000,000	—	—	8,000,000
	<u>\$ 38,410,862</u>	<u>\$ —</u>	<u>\$ —</u>	<u>38,410,862</u>
U.S. Governmental mutual/ Treasury funds				50,771,586
Cash deposits				<u>32,065,745</u>
Total cash and investments				<u>\$ 121,248,193</u>

3. Property Tax

The City's property tax is levied annually, on or before September 1, based on the assessed valuation of property located in the City as of the previous January 1. Assessed valuations are established by the St. Charles County Assessor. The City's 2003 tax rate was levied at \$0.9700 per \$100 of assessed valuation of which \$0.5650 is for general revenue purposes, \$0.2550 for public parks, and \$0.1500 for the payment of principal and interest on general obligation bonds. Taxes are billed November 1, are due and collectible on December 31, and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, collected, and remitted to the City by the St. Charles County Collector.

CITY OF SAINT CHARLES, MISSOURINotes To Basic Financial Statements (*Continued*)**4. Capital Assets**

Capital asset activity for the year ended December 31, 2003:

	Balance - January 1, 2003	Increases	Decreases	Balance - December 31, 2003
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 25,584,292	\$ 1,433,130	\$ —	\$ 27,017,422
Construction in process	24,772,989	20,966,379	(26,381,314)	19,358,054
Total capital assets, not being depreciated	50,357,281	22,399,509	(26,381,314)	46,375,476
Capital assets, being depreciated:				
Land improvements	14,766,456	3,871,162	—	18,637,618
Structures and improvements	13,388,967	13,655,158	(24,313)	27,019,812
Furniture, fixtures and equipment	14,270,207	2,446,775	(2,216,662)	14,500,320
Infrastructure	12,155	10,619,874	—	10,632,029
Total capital assets being depreciated	42,437,785	30,592,969	(2,240,975)	70,789,779
Less accumulated depreciation for:				
Land improvements	4,185,020	516,638	—	4,701,658
Structures and improvements	5,204,224	599,341	(24,313)	5,779,252
Furniture, fixtures and equipment	8,124,683	1,119,704	(2,216,662)	7,027,725
Infrastructure	9,246	107,287	—	116,533
Total accumulated depreciation	17,523,173	2,342,970	(2,240,975)	17,625,168
Total capital assets, being depreciated, net	24,914,612	28,249,999	—	53,164,611
Governmental activities capital assets, net	\$ 75,271,893	\$ 50,649,508	\$ (26,381,314)	\$ 99,540,087

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (Continued)

The City has elected to phase in over part of the available transitional period, the retroactive reporting of infrastructure capital assets. Infrastructure assets as of January 1, 2003 represent the construction in progress amounts for certain roads and related sidewalks and street lights that were placed in service during 2003. All other infrastructure assets placed in service prior to January 1, 2002 will be reported in future financial statements in accordance with the transitional provisions allowed for infrastructure assets in GASB 34.

	Balance - January 1, 2003	Increases	Decreases	Balance - December 31, 2003
Business-Type Activities:				
Waterworks:				
Capital assets, not being depreciated:				
Land and land rights	\$ 223,228	\$ —	\$ —	\$ 223,228
Construction in progress	1,764,997	1,185,725	472,305	2,478,417
Total capital assets not being depreciated	1,988,225	1,185,725	472,305	2,701,645
Capital assets, being depreciated:				
Buildings and improvements	17,293,128	507,433	—	17,800,561
Furniture, fixtures and equipment	2,539,905	134,145	39,198	2,634,852
Total capital assets being depreciated	19,833,033	641,578	39,198	20,435,413
Less: Accumulated depreciation	(6,356,428)	(867,630)	(39,198)	(7,184,860)
Total capital assets being depreciated, net	13,476,605	(226,052)	—	13,250,553
Waterworks capital assets, net	15,464,830	959,673	472,305	15,952,198
Sanitary sewer:				
Capital assets, not being depreciated:				
Land and land rights	218,059	—	—	218,059
Construction in progress	1,270,127	839,205	1,089,998	1,019,334
Total capital assets not being depreciated	1,488,186	839,205	1,089,998	1,237,393
Capital assets, being depreciated:				
Buildings and improvements	45,848,624	1,194,836	—	47,043,460
Furniture, fixtures and equipment	3,578,586	112,612	—	3,691,198
Total capital assets being depreciated	49,427,210	1,307,448	—	50,734,658
Less: Accumulated depreciation	(20,428,642)	(1,798,984)	—	(22,227,626)
Total capital assets being depreciated, net	28,998,568	(491,536)	—	28,507,032
Sanitary sewer capital assets, net	30,486,754	347,669	1,089,998	29,744,425
Parking facilities:				
Capital assets, not being depreciated:				
Land	187,238	—	10,238	177,000
Capital assets, being depreciated:				
Buildings and improvements	6,814,169	5,942	—	6,820,111
Furniture, fixtures and equipment	41,149	—	—	41,149
Total capital assets being depreciated	6,855,318	5,942	—	6,861,260
Total accumulated depreciation	(2,822,070)	(273,770)	—	(3,095,840)
Total capital assets being depreciated, net	4,033,248	(267,828)	—	3,765,420
Parking facilities capital assets, net	\$ 4,220,486	\$ (267,828)	\$ 10,238	\$ 3,942,420

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 409,518
Public Improvements	313,270
Public Parks	620,696
Public Safety	997,562
Public Works	1,924

Total depreciation expense - governmental-type activities

\$ 2,342,970

Business-type Activities:

Waterworks	\$ 867,630
Sanitary Sewer	1,798,984
Parking Facilities	273,770

Total depreciation expense - business-type activities

\$ 2,940,384

5. Employees' Retirement System

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

Plan Description

LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

All full-time employees are eligible to participate in LAGERS. Benefits vest after five years of credited service. Employees who retire on or after age 60 (55 for police and fire) with five or more years of service are entitled to an allowance for life based upon the benefit program then in effect. Employees may retire with a reduced early retirement benefit after a minimum of five years of credited service and attaining age 55 (50 for police and fire).

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Funding Status

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate. The current rate is 10.2% of annual covered payroll for general employees, 8.2% for police, and 7.7% for fire employees. The contribution requirements of plan members are determined by the governing body of the City Council. The contribution requirements of the City are established by state statute.

Annual Pension Cost

For 2003, the City's annual pension cost of \$2,050,551 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2002 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, before retirement and 4.0% per year, compounded annually, after retirement, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the 1983 Group Annuity Mortality table and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2003 was 15 years.

Historical Trend Information

Historical trend information about the City's participation in LAGERS, based on their annual reporting period of June 30, is presented below to help readers assess the plan's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

Plan Year Ending	Annual Pension Costs (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2003	\$ 1,973,987	100%	\$ —
June 30, 2002	1,826,719	100%	—
June 30, 2001	1,809,975	100%	—

CITY OF SAINT CHARLES, MISSOURINotes To Basic Financial Statements (*Continued*)

**Required Supplementary Information
Schedule Of Funding Progress**

	(a)	(b)	(b-a)		(c)	[(b-a)/c]
Actuarial	Actuarial	Entry Age	Unfunded	(a/b)	Annual	UAL As A
Valuation	Value	Accrued	Accrued	Funded	Covered	Percentage
Date	Of Assets	Liability	Liability (UAL)	Ratio	Payroll	Of Covered Payroll
February 28, 2003	\$ 55,781,130	\$ 62,161,564	\$ 6,380,434	90%	\$ 22,591,574	28%
February 29, 2002	52,910,772	52,086,531	(824,241)	102%	19,137,975	—
February 28, 2001	47,098,213	38,514,018	(8,584,195)	122%	16,710,792	—

6. Obligations Under Lease Agreements

The City leases equipment under the terms of certain operating lease agreements with terms in excess of one year. Annual aggregate lease payments remaining under the terms of these operating lease agreements as of December 31, 2003 are as follows:

<u>Year</u>	<u>Amount</u>
2004	\$ 81,052
2005	80,117
2006	57,715
	<u>\$ 218,884</u>

Total operating lease rental expenditures of \$54,422 for the year ended December 31, 2003 are included in contractual services expenditures of the respective funds.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (Continued)

7. Long-Term Liabilities

The following is a summary of changes in the City's long-term liabilities for the year ended December 31, 2003:

	Balance - January 1, 2003	Additions	Retirements	Balance - December 31, 2003	Current Portion
Governmental Activities:					
Compensated Absences	\$ 1,632,517	\$ 113,308	\$ —	\$ 1,745,825	\$ —
General Obligation Bonds:					
General Obligation Bonds dated November 16, 1993, 4.35% - 4.5%, payable in varying amounts through 2005	\$ 270,000	\$ —	\$ 85,000	\$ 185,000	\$ 90,000
General Obligation Bonds dated August 1, 1995	2,580,000	—	2,580,000	—	—
General Obligation Refunding bonds dated June 1, 1996, 5% - 5.6%, payable in varying amounts through 2012	2,240,000	—	—	2,240,000	—
General Obligation bonds dated March 20, 2001, 3.7% - 5% payable in varying amounts through 2021	14,590,000	—	875,000	13,715,000	1,475,000
General Obligation bonds dated July 1, 2003, 1% - 3.55% payable in varying amounts through 2015	—	2,555,000	—	2,555,000	50,000
	\$ 19,680,000	\$ 2,555,000	\$ 3,540,000	\$ 18,695,000	\$ 1,615,000

CITY OF SAINT CHARLES, MISSOURI**Notes To Basic Financial Statements (Continued)**

	Balance - January 1, 2003	Additions	Retirements	Balance - December 31, 2003	Current Portion
Tax Increment Revenue Notes:					
Tax Increment Revenue Note, Series 1996, (St. Charles Center Redevelopment Project), \$1,535,000 authorized, 9%, maturing in December 2008	\$ 1,045,000	\$ —	\$ 600,000	\$ 445,000	\$ 395,000
Tax Increment Revenue Note, Series 1996 (Elm Point Redevelopment Project), \$6,177,500 authorized, 8%, maturing in December 2011	3,105,000	—	—	3,105,000	—
Tax Increment Revenue Note, Series 1996, (Home Depot Redevelopment Project), \$3,900,000 authorized, 8%, maturing in December 2008	1,225,000	—	1,110,000	115,000	115,000
Tax Increment Revenue Note, Series 1997, (Fountain Lakes Redevelopment Project), \$15,000,000 authorized, 7% - 9%, maturing in March 2014	14,375,000	220,000	—	14,595,000	—
Tax Increment Revenue Note, Series 1998, (Elm Point - Lime Lagoon), \$8,000,000 authorized, 7% - 9%, maturing in October 2019	7,165,000	365,000	—	7,530,000	—
Tax Increment Revenue Note, Series 2000, (Mark Twain Mall Bass Pro Shops Redevelopment Project), \$12,200,000 authorized, 9%, maturing in October 2015	8,209,000	1,191,000	—	9,400,000	—
	\$ 35,124,000	\$ 1,776,000	\$ 1,710,000	\$ 35,190,000	\$ 510,000
Certificates of Participation:					
Certificates of Participation, Series 2003, (Art Foundry Center), \$1,865,000 authorized, 1.2% - 4.75%, maturing in July 2023	\$ —	\$ 1,865,000	\$ —	\$ 1,865,000	\$ 70,000
Certificates of Participation, Series 2003B, (Convention Center), \$29,735,000 authorized, 2.25% - 5.3%, maturing in May 2024	—	29,735,000	—	29,735,000	—
	\$ —	\$ 31,600,000	\$ —	\$ 31,600,000	\$ 70,000

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (Continued)

	Balance - January 1, 2003	Additions	Retirements	Balance - December 31, 2003	Current Portion
PFA Leasehold Revenue Bonds:					
PFA Leasehold Revenue Bonds, Series 1997, dated September 2, 1997, 4.6% - 5.45%, payable in varying amounts through 2017	\$ 8,650,000	\$ —	\$ 400,000	\$ 8,250,000	\$ 420,000
PFA Taxable Leasehold Revenue Bonds, Series 2002 A dated June 1, 2002, 2.3% - 3.3% maturing in 2007	4,850,000	—	225,000	4,625,000	270,000
PFA Taxable Leasehold Revenue Bonds, Series 2002C, dated June 1, 2002, 5.2%, payable in varying amounts through 2007	1,095,000	—	—	1,095,000	—
	\$ 14,595,000	\$ —	\$ 625,000	\$ 13,970,000	\$ 690,000
	<u>\$ 71,031,517</u>	<u>\$ 36,044,308</u>	<u>\$ 5,875,000</u>	<u>\$ 101,200,825</u>	<u>\$ 2,885,000</u>
Less: Unamortized discount, net				(847,002)	
Less: Deferred amount on refunding				<u>(305,818)</u>	
Total Governmental Activities				<u>\$ 100,048,005</u>	
Business-Type Activities:					
Compensated absences	\$ 87,201	\$ —	\$ 16	\$ 87,185	\$ —
PFA Leasehold Revenue Bonds:					
PFA Leasehold Revenue Bonds, Series 1994, dated March 1, 1994, 5.3% - 5.8%, payable in varying amounts through 2012	10,855,000	—	895,000	9,960,000	945,000
PFA Leasehold Revenue Bonds, Series 1997, dated September 2, 1997, 4.6% - 5.45%, payable in varying amounts through 2017	22,325,000	—	495,000	21,830,000	515,000
PFA Leasehold Revenue Bonds, Series 2002 A, dated June 1, 2002, 2.3% - 5%, payable in varying amounts through 2023	14,770,000	—	15,000	14,755,000	20,000
PFA Leasehold Revenue Bonds, Series 2002 B, dated June 1, 2002, 2.3% - 5%, payable in varying amounts through 2023	16,535,000	—	—	16,535,000	120,000
	\$ 64,485,000	\$ —	\$ 1,405,000	\$ 63,080,000	\$ 1,600,000
	<u>\$ 64,572,201</u>	<u>\$ —</u>	<u>\$ 1,405,016</u>	<u>\$ 63,167,185</u>	<u>\$ 1,600,000</u>
Less: Unamortized discount, net				(800,054)	
Less: Deferred amount on refunding				<u>(700,492)</u>	
Total Business-Type Activities				<u>\$ 61,666,639</u>	

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Debt Service Requirements To Maturity

The annual principal requirements to maturity of bonded debt outstanding as of December 31, 2003 are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total Debt Service Requirements To Maturity	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 2,375,000	\$ 2,990,544	\$ 1,600,000	\$ 3,166,090	\$ 3,975,000	\$ 6,156,634
2005	2,305,000	2,900,411	1,680,000	3,086,044	3,985,000	5,986,455
2006	2,630,000	2,817,703	1,760,000	2,999,954	4,390,000	5,817,657
2007	4,565,000	2,681,177	1,855,000	2,907,653	6,420,000	5,588,830
2008	1,780,000	2,554,438	1,955,000	2,808,216	3,735,000	5,362,654
2009 – 2013	12,110,000	11,243,591	14,400,000	11,825,506	26,510,000	23,069,097
2014 – 2018	17,370,000	7,619,614	18,710,000	7,792,452	36,080,000	15,412,066
2019 – 2023	18,065,000	2,882,163	21,120,000	2,730,908	39,185,000	5,613,071
2024	3,065,000	76,625	—	—	3,065,000	76,625
	\$ 64,265,000	\$ 35,766,266	\$ 63,080,000	\$ 37,316,823	\$ 127,345,000	\$ 73,083,089

General Obligation Bonds

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net assets, were issued to finance various capital projects. \$1,524,432 is available in the City's Debt Service Fund to repay general obligation bonds. The remainder of the general obligation bonds is to be repaid from future property tax levies.

In 2001, the City defeased certain general obligation bonds by placing excess funds of the debt service fund in an irrevocable trust to provide for all future debt service payments on a portion of Series 1996 bonds. As a result, this portion of Series 1996 bonds are considered to be defeased and the liability for those bonds has been removed from the government activities statement of net assets. At December 31, 2003, the outstanding balance of defeased debt was \$180,000.

On July 1, 2003, the City issued \$2,555,000 in General Obligation Refunding Bonds, Series 2003 to refund \$2,535,000 of the outstanding principal on the General Obligation Bonds, Series 1995 (Series 1995). The net proceeds of \$2,535,199 (after payment of \$19,801 in underwriting fees) plus an additional \$176,401 of Series 1995 sinking fund monies were used to purchase U.S. government securities. Additionally, City funds in the amount of \$37,212 were used for payment of bond issuance costs and insurance. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on a portion of the Series 1995 bonds. As a result, this portion of the Series 1995 bonds are considered to be defeased and the liability for those bonds has been removed from the government activities statement of net assets. At December 31, 2003, the outstanding balance of the defeased debt was \$2,535,000.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The City refunded the Series 1995 bonds to reduce its total debt service payments over the next 12 years by \$406,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$305,000.

Tax Increment Financing (TIF) Notes Payable

The City has entered into agreements to issue tax increment financing notes for the purpose of paying a portion of the redevelopment costs in connection with several tax increment financing district redevelopment plans. The notes are payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property in the project area and additional economic activity taxes with no specific debt service requirements, and do not constitute a general obligation of the City. The obligations of the City with respect to these notes terminate on the maturity dates specified above, whether or not the principal amount or interest thereon has been paid in full.

Certificates Of Participation

Certificates of participation evidence proportionate ownership interest in the right to receive rental payments to be paid by the City under various lease/purchase agreements.

Certificates of participation are recorded as governmental activity debt to the extent the bond indentures require debt service payments from the respective governmental fund types to retire the debt.

Public Facilities Authority (PFA) Leasehold Revenue Bonds

On September 10, 1985, the PFA was formed as a Missouri not-for-profit corporation. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of St. Charles, Missouri.

Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. Concurrent with the issuance of the bonds discussed below, the City entered into lease agreements, whereby the assets acquired or constructed by the PFA have been leased to the City. The leases terminate each June 30 and can be renewed for additional one-year periods up to a maximum of twenty years. At the end of the 20-year period, the assets are intended to become the property of the City. Lease payments by the City are to be sufficient at all times to pay the total amount of interest and principal (whether at maturity, by acceleration, or by redemption as provided in the bond indenture) and premium, if any, on the leasehold revenue bonds as they become due.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The leasehold revenue bonds do not constitute a legal debt or liability for the City, the state of Missouri, or for any political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the leasehold revenue bonds does not obligate the City to levy any form of taxation, therefore, or to make any appropriation for their payment in any fiscal year. The PFA has no taxing power. The activities and accounts of the PFA have been blended into the City's various fund types and account groups. Because the primary purpose of the PFA is to issue debt to fund the acquisition or construction of assets to be leased to the City, and use the lease payments to repay the debt, the assets and liabilities of the PFA are reported as a form of the City's assets and liabilities.

In March 1994, the PFA issued \$23,745,000 in Leasehold Revenue Bonds (Series 1994) to provide funding to refund the Series 1987, Series 1988 and Series 1990 and to provide \$1,245,000 in police and fire equipment. The outstanding debt has been recorded in the Waterworks and Sanitary Sewer Fund. The refunding resulted in the recognition of a deferred amount on refunding which reduced the carrying amount of the Series 1994 bonds outstanding by \$1,793,000. As of December 31, 2003, the unamortized portion of the deferred amount on the refunding was \$700,492.

In September 1997, the PFA issued \$35,355,000 in Leasehold Revenue Bonds (Series 1997) to provide for the construction of improvements to waterworks, stormwater and sewerage systems of the City. The debt relating to the Series 1997 bonds has been recorded in the government activities statement of net assets, the Waterworks fund and the Sanitary Sewer fund.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

In June 2002, the PFA issued \$37,250,000 in Leasehold Revenue Bonds (Series 2002 A, B, C) to provide funds for repairing streets, acquiring land, constructing improvements to the police station, making improvements to city hall, acquiring certain vehicles, and constructing improvements to waterworks and sewerage systems of the City. The debt relating to the Series 2002 A, B, & C bonds has been recorded in the government activities statement of net assets, the Waterworks fund, and the Sanitary Sewer fund.

The following represents certain revenue bond restrictions of the debt issued by the PFA:

Account	Amount Required	Authorized Expenditures
(a) Debt Service Reserve	Amount equal to \$2,374,500 for the Series 1994 bond issue, and \$3,404,000 for the Series 1997 bond issue.	Payment of principal and interest only when funds are not available in the bond fund.
(b) Bond Fund	Amount sufficient to pay the current bond and interest maturities on the Series 1994 and 1997 bond issue.	Payment of principal and interest on bonds.
(c) Construction Fund	Construction funds from the proceeds from the sale of the Series 1997 bonds and Series 2002 A&B bonds.	Payment of construction costs associated with the project.

The City obtained a debt service reserve fund policy issued by Financial Guaranty Insurance Company for the Series 2002A, B, & C Bonds. Under this policy, the City is not required to set up a bond reserve fund.

As of December 31, 2003, the revenue bond accounts for all PFA issued long-term debt totaled \$36,728,458. This amount along with other available unrestricted cash was sufficient to pay current bond and interest maturities as well as current construction costs.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (Continued)

Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. This does not include an additional debt limit of 10% assessed valuation available for street improvements or waterworks and electric plants as provided under the statutes of the State of Missouri. The computation is as follows:

Assessed valuation - 2003 tax year	<u>\$ 945,558,314</u>
Debt limit - 10% of assessed valuation	<u>\$ 94,555,831</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	18,695,000
Less: Amount available in debt service fund	<u>(1,524,432)</u>
Bond indebtedness applicable to debt limit	<u>17,170,568</u>
Legal debt margin	<u>\$ 77,385,263</u>

8. Interfund Balances And Transfers

The following represents a reconciliation of transfers between fund types and individual funds for the year ended December 31, 2003:

	Transfers From	Transfers To	Net Transfers
Major Governmental Funds:			
General	\$ —	\$ 346,000	\$ 346,000
Nonmajor Governmental Funds:			
Street maintenance and improvement	10,000	—	(10,000)
Redevelopment	524,729	—	(524,729)
Tourism	—	224,729	224,729
Debt Service	—	1,100,000	1,100,000
Capital improvement	806,262	—	(806,262)
Major facilities	990,000	—	(990,000)
Justice Center	—	296,262	—
Major Enterprise Funds:			
Waterworks	168,000	400,000	232,000
Sanitary sewer	168,000	300,000	132,000
	<u>\$ 2,666,991</u>	<u>\$ 2,666,991</u>	<u>\$ —</u>

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Interfund transfers were used to move resources from the fund budgeted to collect to the fund the budget requires to expend them; to provide additional resources for debt service; and to provide funding for certain capital improvement projects.

Individual fund interfund receivable/payable balances as of December 31, 2003 are as follows:

	Interfund Receivable	Interfund Payable
Major Governmental Funds:		
General	\$ 1,989,180	\$ —
Special street construction	—	1,989,180
Nonmajor Governmental Fund:		
Capital improvements	130,000	—
Nonmajor Enterprise Fund:		
Parking facilities	—	130,000
	\$ 2,119,180	\$ 2,119,180

Individual fund interfund advances as of December 31, 2003 are as follows:

	Interfund Receivable	Interfund Payable
Nonmajor Governmental Fund:		
Capital improvements	\$ 475,000	\$ —
Nonmajor Enterprise Fund:		
Parking facilities	—	475,000
	\$ 475,000	\$ 475,000

During fiscal year 1995, the Capital Improvements Fund advanced monies to the Parking Facilities Fund for improvements and repairs to the parking garage. The advance is to be repaid to the Capital Improvements Fund over a twelve-year period. The outstanding balance on the advances and interfund receivable/payable between the Capital Improvements Fund and the Parking Fund at December 31, 2003 is \$605,000.

The Special Street Construction Fund owes the General Fund for fund overdraws of pooled cash for \$1,989,180 as of December 31, 2003.

9. Commitments And Contingencies

Litigation

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

Federal Grants

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

Other Commitments And Contingencies

The City has entered into an agreement with St. Charles County, Missouri, for the purpose of developing a public recreational and sports facility within the St. Charles County area. Under the agreement, the City has agreed to contribute \$300,000 annually, beginning on the date the County's first bond payment is due. However, if said property has not been annexed into the City when an annual payment becomes due, the City will have no obligation to make that payment. The property was annexed into the City during 2000, after the date of the County's bond payment. Payments by the City will begin in September 2000 and continue until September 2022.

10. Postretirement Health Care Benefits

In accordance with the City's administrative policy, the City provides postretirement health care benefits to all employees who retire from the City on or after attaining age 50 with at least 20 years of service. The City will pay 80% of the monthly costs for medical coverage for the retiree and 40% of the employee's spouse. At December 31, 2003, 26 retirees meet these eligibility requirements. The City reimburses retirees for insurance costs up to \$350 a month until they attain Medicare eligibility age. Upon reaching Medicare eligibility, the City will fund the employee's cost for Medicare supplement insurance up to a maximum of \$125 a month. Expenditures for postretirement health care benefits are recognized as insurance premiums when paid. During 2003, expenditures of approximately \$149,000 were recognized for postretirement health care benefits.

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City utilizes the self-insurance internal service fund to account for and finance its uninsured risk of loss. The following types of insurance are provided by the self-insurance internal service fund: general liability, property and casualty, workers' compensation, and medical, dental and hospitalization benefits to City employees. The City purchases commercial insurance for claims in excess of coverage provided by the internal service fund and for all other risks of loss. Settlement claims have not exceeded this commercial insurance coverage in any of the past three years.

All funds of the City participate in the program and make payments to the self-insurance internal service fund based on both exposure and experience factors. Premiums include amounts needed to pay prior and current-year claims. Claim liabilities are established based on estimates of the ultimate costs of claims (including future expenses) that have been reported but not settled and of claims incurred and not reported. The outstanding claims liability recorded in the internal service fund was \$1,525,000 at December 31, 2003 and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the general purpose financial statement indicates that it is probable that a liability has been incurred at the date of the general purpose financial statements and the amount of the loss can be reasonably estimated.

CITY OF SAINT CHARLES, MISSOURI**Notes To Basic Financial Statements (Continued)**

Changes in the internal service fund claims liability for the years ended December 31, 2002 and December 31, 2003 are as follows:

	Workers' Compensation	General Liability	Medical And Hospitalization Benefits	Total
Claims liability at December 31, 2001	\$ 470,000	\$ 120,000	\$ 300,000	\$ 890,000
Incurred claims and claim adjustment expense:				
Provision for insured events of 2002	628,759	161,060	2,860,880	3,650,699
Increase (decrease) in provision for insured events of prior years	204,537	78,719	(13,098)	270,158
Total incurred claims and claim adjustment expenses	833,296	239,779	2,847,782	3,920,857
Payments:				
Claims and claim adjustment expenses attributable to insured events of 2002	154,030	77,526	2,560,880	2,792,436
Claims and claim adjustment expenses attributable to insured events of prior years	449,266	132,253	286,902	868,421
Total payments	603,296	209,779	2,847,782	3,660,857
Claims liability at December 31, 2002	700,000	150,000	300,000	1,150,000
Incurred claims and claim adjustment expense:				
Provision for insured events of 2003	514,668	573,645	3,601,244	4,689,557
Increase (decrease) in provision for insured events of prior years	189,598	118,447	(67,211)	240,834
Total incurred claims and claim adjustment expenses	704,266	692,092	3,534,033	4,930,391
Payments:				
Claims and claim adjustment expenses attributable to insured events of 2003	164,456	386,279	3,226,244	3,776,979
Claims and claim adjustment expenses attributable to insured events of prior years	389,810	155,813	232,789	778,412
Total payments	554,266	542,092	3,459,033	4,555,391
Claims liability at December 31, 2003	\$ 850,000	\$ 300,000	\$ 375,000	\$ 1,525,000

12. Joint Ventures

St. Peters-St. Charles Water Pipeline Project:

The St. Peters-St. Charles Water Pipeline Project operates a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of St. Louis, Missouri, to the separate facilities of the municipalities of St. Peters, Missouri, and St. Charles, Missouri (Owners), in order to adequately supply water to the citizens and businesses of the municipalities.

The Water Pipeline Project is owned by the City of St. Peters, Missouri (31.8%), and the City of St. Charles, Missouri (68.2%). The Water Pipeline Project receives all of its operating revenue from the water it sells to the Owners. The cumulative investment in the Water Pipeline Project by the City of St. Charles, Missouri, through December 31, 2003 includes its proportionate share of water pipeline construction costs and an initial contribution to a water pipeline maintenance fund. Under terms of the Water Pipeline Project agreement, additional contributions to maintain the water pipeline maintenance fund at an agreed-upon base amount may be required. The current base amount is \$500,000, which may be increased to a maximum of \$1,000,000 if maintenance costs so justify.

During the year ended December 31, 2003, the City of St. Charles, Missouri purchased water from the Water Pipeline Project and paid related pumping charges of \$946,332 and \$51,686, respectively. These costs are included as operating expenses in the City's Waterworks enterprise fund. As of December 31, 2003, the City of St. Charles, Missouri owed the Water Pipeline Project approximately \$231,000 for purchased water.

Financial statements for the Water Pipeline Project are available from its administrative offices located at One St. Peters Centre Boulevard, St. Peters, Missouri 63376.

Convention Center Project:

In July 1997, the City of St. Charles, Missouri Tax Increment Financing (TIF) Commission prepared a redevelopment plan entitled St. Charles Country Convention Center Redevelopment Area (Redevelopment Plan) calling for the construction of a convention center, a full-service hotel and related on-site and off-site improvements. In November 1997, the Redevelopment Plan was approved by the St. Charles City Council.

In 1992, the Authority was established as a separate legal entity by an Act of the Missouri State legislature with the authority to acquire, purchase or lease and construct, operate, and maintain convention centers, sports stadiums, field houses, indoor and outdoor convention, recreational and entertainment facilities, and to do all things incidental or necessary to facilitate these purposes.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

In 2003 the City and the Authority entered into a Convention Center Agreement (Cooperation Agreement) to contract and cooperate with each other and any private corporation for the planning, development, construction, acquisition or operation of a public improvement or facility as authorized under RSMo 70.210 to 70.320. Specifically, the Cooperation Agreement provides for the joint financing, construction and operation of a convention center facility and all related improvements (Convention Center Project).

The City and Authority also entered into a Hotel Redevelopment Agreement dated July 25, 2002 with a developer for the development and construction of a hotel of not less than 250 rooms adjacent to the Convention Center site (Hotel Project). The Convention Center property and the Hotel property, (collectively the Project Area), is owned by the City. The City will lease the Convention Center property to the Authority, and under separate lease agreement shall lease the Hotel property to the developer for \$100 per year for 55 years.

The Authority will own an undivided $\frac{3}{4}$ interest and the City will own an undivided $\frac{1}{4}$ interest in the Convention Center Building.

Pursuant to the Cooperation Agreement, On November 1, 2003, the City issued \$29,735,000 in Certificates of Participation to finance a portion of the construction of the Facility and other related costs and improvements. Until such time as the Certificates of Participation are paid in full or refinanced, the City shall contribute all TIF revenues generated as a result of the Convention Center and Hotel Project within the Convention Center Redevelopment Area, and such other revenues of the City, as will be necessary, when added to the Authority's contributions, to finance construction of, to retire the debt incurred for, and to fund the operation of the Convention Center.

Until such time as the Certificates of Participation are paid in full, the Authority shall contribute towards the cost of construction and operation of the Convention Center Project; (1) all proceeds of the hotel\motel tax earned by St. Charles County for the benefit of the Authority, except a portion for administration purposes; (2) all funds of the Authority, except \$300,000 to be used by the Authority as its Reserve Funds; (3) any interest accumulating on any funds of the Authority except the reserve or operating funds; and (4) any portion of the annual administrative funds not spent or appropriated by the end of the applicable year.

The Convention Center Project is considered a joint venture between the City and the Authority because it constitutes a contractual agreement for public benefit, subject to joint control, in which the City and Authority retain an ongoing financial responsibility as discussed above. There are no separate financial statements prepared for the Convention Center project.

13. Adoption Of New Accounting Standards

During 2003, the City adopted GASB Statement No. 34, *Basic Financial Statements - and Management Discussion and Analysis - For State and Local Governments* (GASB No. 34), GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* (GASB No. 37), GASB Statement No. 38, *Certain Financial Statement Note Disclosures* (GASB No. 38) and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB No. 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments.

GASB No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group. Additionally, the City's statement of net assets includes capital assets and long-term liabilities of the City, which were previously recorded in the general fixed assets account group and the general long-term debt account group, respectively. In addition to the fixed assets previously recorded in the general fixed assets account group, the City is required to prospectively capitalize infrastructure assets starting January 1, 2003 and will be required to retroactively capitalized infrastructure assets over a period of four years ending December 31, 2007. The government-wide statement of activities also reflects depreciation expense on the City's capital assets, including capitalized infrastructure.

In addition to the government-wide financial statements the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting for the City's governmental funds and the accrual basis of accounting for the City's proprietary funds, which is similar to that previously presented for these funds in the City's financial statements, although the format of financial statements has been modified by GASB No. 34.

GASB No. 34 also includes, as required supplementary information, Management's Discussion and Analysis, which provides an analytical overview of the City's financial activities. In addition, budgetary comparison schedules are presented which compare the original and final revised budget with actual results for the general fund and major special revenue funds.

GASB No. 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB No. 34. While this statement did not affect amounts reported in the financial statements of the City, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt service and lease obligations in five year increments, and interfund balances and transactions.

CITY OF SAINT CHARLES, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Due to the implementation of these standards, adjustments were required to convert the Governmental fund statements to the basis of presentation used in the Government-wide financial statements. The details of the adjustments are as follows:

Fund equity at December 31, 2002	\$ 50,740,998
Required GASB 34 conversion adjustments:	
Capital assets, net of depreciation	75,271,902
Long-term debt	(69,399,000)
Deferred revenue	600,961
Long-term compensated absences	(1,632,517)
Accrued interest payable	(6,046,204)
Bond issue costs	312,827
Bond discount	384,337
Deferred amount of refunding	150,727
Internal service fund	(404,509)
	<hr/>
Restated net assets January 1, 2003	<u><u>\$ 49,979,522</u></u>

14. Subsequent Events

During January 2004, the City issued \$8,100,000 Certificates of Participation to pay the costs of currently refunding \$9,105,000 outstanding principal amount of the 1994 Public Facilities Authority Leasehold Revenue Bonds.

In June 2004, the City issued \$2,240,000 General Obligation Bonds to pay the costs of currently refunding \$2,240,000 outstanding principal amount of 1996 General Obligation Bonds.

In September 2004, the City issued \$3,295,000 Neighborhood Improvement District Limited General Obligation Bonds to pay the costs of various public improvements for New Town Phase I.

15. Application Of Accounting Standards

As stated in Notes 1 and 13, the City implemented GASB Statement No. 34 during 2003. The City intends to implement the retrospective reporting requirements for infrastructure in the future. As of December 31, 2003, the impact of this change on the financial statements is not determinable.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
- Schedule of Expenditures – Budget and Actual – General Fund

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

For The Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues				
Taxes, including interest and penalties:				
Property	\$ 5,239,700	\$ 5,239,700	\$ 5,485,284	\$ 245,584
Utility gross receipts	6,247,000	6,247,000	6,175,622	(71,378)
Sales	6,938,000	6,938,000	6,639,444	(298,556)
Gaming receipts	5,436,500	5,436,500	6,649,351	1,212,851
Cigarette	480,000	480,000	493,746	13,746
Institutional	12,000	12,000	74	(11,926)
Total taxes	24,353,200	24,353,200	25,443,521	1,090,321
Federal, state and county grants	32,000	36,556	37,484	928
Licenses, permits, fines and fees:				
Occupation licenses	445,500	445,500	458,416	12,916
Police court fines and fees	1,131,000	1,131,000	1,189,816	58,816
Liquor licenses	70,000	70,000	71,990	1,990
Building permits	305,000	305,000	288,007	(16,993)
Life support vehicle fees	360,000	360,000	539,898	179,898
Fireworks licenses	64,000	64,000	56,000	(8,000)
Rental inspection program	90,000	90,000	76,625	(13,375)
Other	165,200	165,200	143,310	(21,890)
Total licenses, permits, fines and fees	2,630,700	2,630,700	2,824,062	193,362
Interest on investments	1,355,500	1,355,500	1,023,087	(332,413)
Other	291,562	300,732	373,879	73,147
Total Revenues	28,662,962	28,676,688	29,702,033	1,025,345
Expenditures	(29,147,358)	(30,469,546)	(29,372,902)	1,096,644
Revenues Over (Under) Expenditures Before Other Financing Sources	(484,396)	(1,792,858)	329,131	2,121,989
Other Financing Sources				
Transfers in	346,000	346,000	346,000	—
Net Change In Fund Balances	(138,396)	(1,446,858)	675,131	2,121,989
Fund Balance:				
Beginning of year	8,271,743	8,271,743	8,271,743	—
End of year	\$ 8,133,347	\$ 6,824,885	\$ 8,946,874	\$ 2,121,989

CITY OF SAINT CHARLES, MISSOURI

BUDGETARY COMPARISON INFORMATION SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND For The Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Revised Final Budget		
General Government:				
Mayor's Office:				
Personal services	\$ 105,086	\$ 113,996	\$ 113,305	\$ 691
Contractual services	14,200	17,520	16,350	1,170
Materials and supplies	17,000	9,900	8,453	1,447
	136,286	141,416	138,108	3,308
City Council:				
Personal services	117,183	119,168	101,605	17,563
Contractual services	73,400	78,700	75,869	2,831
Materials and supplies	72,823	87,591	50,924	36,667
Capital outlay	—	15,000	—	15,000
	263,406	300,459	228,398	72,061
Administration:				
Personal services	801,265	870,360	858,470	11,890
Contractual services	67,603	136,927	90,882	46,045
Materials and supplies	279,599	344,446	256,328	88,118
Capital outlay	500	15,203	1,633	13,570
	1,148,967	1,366,936	1,207,313	159,623
Finance:				
Personal services	1,019,755	1,009,285	1,007,629	1,656
Contractual services	159,010	304,152	152,520	151,632
Materials and supplies	30,200	38,584	28,037	10,547
Capital outlay	—	20,460	18,960	1,500
	1,208,965	1,372,481	1,207,146	165,335
City Development:				
Personal services	724,167	714,017	709,485	4,532
Contractual services	40,500	51,175	49,911	1,264
Materials and supplies	17,500	19,560	19,018	542
	782,167	784,752	778,414	6,338
City Counselor:				
Personal services	295,601	310,671	310,148	523
Contractual services	92,845	113,880	62,604	51,276
Materials and supplies	25,836	41,498	35,022	6,476
Capital outlay	300	576	56	520
	414,582	466,625	407,830	58,795
City Clerk:				
Personal services	246,919	250,379	249,050	1,329
Contractual services	131,011	179,259	166,074	13,185
Materials and supplies	103,480	106,023	103,337	2,686
	481,410	535,661	518,461	17,200
Municipal Court:				
Personal services	335,446	342,896	343,951	(1,055)
Contractual services	39,200	36,250	33,487	2,763
Materials and supplies	23,100	25,100	21,555	3,545
Capital outlay	16,000	15,603	9,829	5,774
	413,746	419,849	408,822	11,027
Cemetery:				
Personal services	129,391	131,901	119,444	12,457
Contractual services	11,616	12,231	11,166	1,065
Materials and supplies	15,305	16,480	8,926	7,554
Capital outlay	3,000	7,014	999	6,015
	159,312	167,626	140,535	27,091
Economic Development				
Personal services	172,596	174,376	175,550	(1,174)
Contractual services	71,250	77,533	65,255	12,278
Materials and supplies	52,811	52,676	45,892	6,784
Capital outlay	—	51,030	22,695	28,335
	296,657	355,615	309,392	46,223
Total General Government	\$ 5,305,498	\$ 5,911,420	\$ 5,344,419	\$ 567,001

(Continued)

CITY OF SAINT CHARLES, MISSOURI

BUDGETARY COMPARISON INFORMATION SCHEDULE OF EXPENDITURES BUDGET BASIS - GENERAL FUND For The Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Revised Final Budget		
Public Safety:				
Police Department:				
Personal services	\$ 12,227,525	\$ 12,230,983	\$ 12,283,588	\$ (52,605)
Contractual services	1,062,508	1,039,063	956,389	82,674
Materials and supplies	694,590	673,380	616,662	56,718
Capital outlay	61,800	141,272	106,340	34,932
	14,046,423	14,084,698	13,962,979	121,719
Code Enforcement:				
Personal services	653,294	660,104	656,685	3,419
Contractual services	87,125	81,403	55,478	25,925
Materials and supplies	33,650	38,471	37,564	907
Capital outlay	8,500	11,959	8,026	3,933
	782,569	791,937	757,753	34,184
Fire Department:				
Personal services	7,656,820	7,642,880	7,662,717	(19,837)
Contractual services	441,545	479,727	446,828	32,899
Materials and supplies	212,060	213,971	185,204	28,767
Capital outlay	35,800	47,813	3,022	44,791
	8,346,225	8,384,391	8,297,771	86,620
Total Public Safety	23,175,217	23,261,026	23,018,503	242,523
Public Works				
Building Maintenance:				
Personal services	327,748	302,278	301,840	438
Contractual services	198,503	239,011	196,046	42,965
Materials and supplies	140,392	142,621	137,094	5,527
Capital outlay	—	2,450	—	2,450
	666,643	686,360	634,980	51,380
Other Public Works:				
Capital outlay	—	610,740	375,000	235,740
Total Public Works	666,643	1,297,100	1,009,980	287,120
Total Expenditures	\$ 29,147,358	\$ 30,469,546	\$ 29,372,902	\$ 1,096,644

CITY OF SAINT CHARLES, MISSOURI
NOTES TO BUDGETARY COMPARISON INFORMATION
December 31, 2003

Budgetary Data

The City Council follows the procedures outlined below in establishing the budgetary data reflected in the general purpose financial statements:

1. On or before October 1, the Mayor submits to the City Council a proposed operating budget for the general, special revenue, debt service and capital projects funds for the year commencing the following January 1. The City Council also adopts, as a management control device only, a budget for all remaining funds.
2. The City Council publishes a public notice on the availability of copies of the budget. Not less than two weeks after such notice, a public hearing is conducted by the City Council giving the taxpayers the opportunity to be heard on the proposed budget.
3. The annual operating budgets are then adopted by the City Council by the affirmative vote of a majority of the members of the City Council and approval by the Mayor on or before the last day preceding the budget year. If the budgets have not been passed and approved by this time, then the budgets and appropriations for the current year shall be deemed to be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.
4. Upon the request of the City's department heads, the Mayor may transfer part, or all, of any unencumbered appropriated balance among programs within a department, office, or agency. Upon written request by the Mayor, the City Council may, by ordinance, transfer part or all of any unencumbered appropriated balance from one department, office, or agency to another. The amount of such transfers during the year was not significant. Expenditures may not legally exceed appropriations at the department level in the general fund or at the fund level for all other fund types as they are not departmentalized.
5. If it is determined by the Mayor that there are revenues in excess of those estimated in the budget that are available for appropriation, the City Council may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.
6. If it appears probable that revenues available will be insufficient to meet the amount appropriated, the City Council may, by ordinance, reduce one or more appropriations.
7. Unencumbered appropriations lapse at year end.

CITY OF SAINT CHARLES, MISSOURI

Notes To Budgetary Comparison Information (*Continued*)

8. The major differences between the budget and GAAP bases of accounting are:
- Revenues are recorded when received in cash (budget) as opposed to when they are measurable and available (GAAP).
 - Expenditures are recorded when paid (budget) as opposed to when the obligation is incurred (GAAP).
 - Activity of the Public Facilities Authority is recorded on a GAAP basis but not on a budget basis.
 - Increases in the fair value of the City's investments are recorded as revenue on a GAAP basis but not on a budget basis.

Reconciliation Of GAAP Basis To Budget Basis

The City records transactions using a basis other than GAAP for the purpose of budgetary reporting for governmental fund types.

Adjustments necessary to convert the results of operations and fund balances as of and for the year ended December 31, 2003 on the GAAP basis to the budget basis for the City's major governmental funds are as follows:

	General Fund	Special Street Construction Fund	Convention Facilities Fund
Fund Balances:			
GAAP basis	\$ 10,746,481	\$ —	\$ 32,383,952
Increase (decrease) due to:			
Receivables, net	(5,230,823)	(3,833,440)	(14,895)
Accounts payable	223,644	493,166	1,754,786
Accrued payroll, vacation and sick leave pay	2,224,696	—	—
Deferred revenue	317,832	1,351,094	—
Unbudgeted activity	665,044	—	—
Budget basis	\$ 8,946,874	\$ (1,989,180)	\$ 34,123,843
Net Change In Fund Balances			
GAAP basis	\$ (110,491)	\$ —	\$ 32,383,952
Increase (decrease) due to:			
Revenue accruals	(55,185)	(1,674,066)	(14,895)
Expenditure accruals	182,694	62,484	1,754,786
Deferred revenue	(53,092)	(9,656)	—
Unbudgeted activity	711,205	—	—
Budget basis	\$ 675,131	\$ (1,621,238)	\$ 34,123,843

Other Supplementary Information

**Combining And Individual Fund
Financial Statements And Schedules**

Combining Statements Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the City are as follows:

Street Maintenance And Improvement Fund - Used to account for sales, gasoline and County road and bridge tax revenues, restricted entirely for maintenance and improvements of City roads and bridges.

Special Assessment Fund - Used to account for revenues generated from special tax bills.

Community Development Fund - Used to account for state and federal grant revenues and related expenditures.

Redevelopment Fund - Used to account for revenues generated from gaming dedicated to fund economic development/redevelopment projects.

Tax Increment Financing (TIF) Districts Fund - Used to account for the City's tax increment financing districts.

Convention Center Operations Fund - Used to account for the operations of the Convention Center, including debt service.

Sewer Lateral Program Fund - Used to account for the revenue generated by a fee charged to certain property owners within the City, which is used to pay for the repair of damaged sewer lateral lines.

Metropolitan Parks Tax Fund - Used to account for the City's portion of revenue received for the Metropolitan Park and Recreation District Sales Tax.

Park Fund - Used to account for the revenues and related expenditures of the City's public parks.

Tourism Fund - Used to account for the City's 1% Tourism license tax. These funds are utilized to promote tourism, convention and other related activities in the City.

Special Business District Fund - Used to accumulate the Special Business District property tax levied on Main Street properties.

Cable Television Fund - Used to account for revenues generated from cable television franchise fees, restricted by ordinance to maintenance of a cable television channel.

Beautification Fund - Used to account for funds to be utilized for various beautification projects throughout the City.

Stormwater Fund - Used to account for the use of gaming funds dedicated to help finance the stormwater projects.

Combining Statements Nonmajor Governmental Funds

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest and related costs. This fund accounts for all General Obligation Bonds of the City.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital items (other than those financed by proprietary and fiduciary fund types). The capital projects funds maintained by the City are as follows:

Capital Improvement Fund - Used to account for the utilization of the 2 cent capital improvement sales tax and a portion of the City's general sales tax. Capital projects primarily for general government purposes are funded herein.

Street Construction Fund - Used to account for the use of gaming funds dedicated to new street construction and reconstruction of existing roadways including related curb and gutter work and design engineering services. These funds can also be utilized for street lighting and traffic signalization.

Major Facilities Fund - Used to account for the use of gaming funds dedicated to enhancing or expanding existing City facilities or new construction.

Justice Center Fund - Used to account for the use of bond proceeds appropriated for the criminal justice facility and radio system improvements.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

Cemetery Trust Fund - Used to account for the revenues and related expenses of the City's cemetery.

CITY OF SAINT CHARLES, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS December 31, 2003

	Combined Nonmajor Special Revenue Funds	Debt Service Fund	Combined Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments:					
Held by trustees	\$ 6,893,257	\$ —	\$ 2,063,742	\$ —	\$ 8,956,999
Unrestricted	11,182,139	835,339	13,777,470	345,439	26,140,387
Receivables, net of allowances:					
Taxes	2,377,384	762,274	966,037	—	4,105,695
Notes	2,055,452	—	—	—	2,055,452
Grants	376,951	—	62,313	—	439,264
Due from other funds	—	—	130,000	—	130,000
Advance to other fund	—	—	475,000	—	475,000
Other receivable	673,628	—	1,100,062	—	1,773,690
Total Assets	\$ 23,558,811	\$ 1,597,613	\$ 18,574,624	\$ 345,439	\$ 44,076,487
Liabilities And Fund Balances					
Liabilities					
Accounts payable	\$ 402,100	\$ —	\$ 1,548,516	\$ —	\$ 1,950,616
Accrued payroll	235,823	—	—	—	235,823
Accrued vacation and sick leave pay	286,784	—	—	—	286,784
Deferred revenue	149,240	73,181	55,601	—	278,022
Total Liabilities	1,073,947	73,181	1,604,117	—	2,751,245
Fund Balances					
Reserved for:					
Encumbrances	1,956,898	—	2,811,214	—	4,768,112
Capital projects	1,008,405	—	13,684,293	—	14,692,698
Home improvement loans	2,177,672	—	—	—	2,177,672
Debt service	5,828,210	1,524,432	—	—	7,352,642
Future purchase of cemetery land	—	—	—	233,912	233,912
Advances to other funds	—	—	475,000	—	475,000
Unreserved	11,513,679	—	—	111,527	11,625,206
Total Fund Balances	22,484,864	1,524,432	16,970,507	345,439	41,325,242
Total Liabilities And Fund Balances	\$ 23,558,811	\$ 1,597,613	\$ 18,574,624	\$ 345,439	\$ 44,076,487

CITY OF SAINT CHARLES, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2003

	Street Maintenance And Improvement	Special Assessment	Community Development	Redevelopment	Tax Increment Financing (TIF) Districts	Convention Center
Assets						
Cash and investments:						
Held by trustees	\$ —	\$ —	\$ —	\$ —	\$ 68,995	\$ 5,779,207
Unrestricted	2,871,815	—	120,871	1,099,620	1,357	—
Receivables, net of allowances:						
Taxes	373,933	11,328	—	201,615	—	—
Notes	—	—	2,055,452	—	—	—
Grants	—	—	6,928	—	—	—
Other receivable	258,000	—	—	—	—	2,481
Total Assets	\$ 3,503,748	\$ 11,328	\$ 2,183,251	\$ 1,301,235	\$ 70,352	\$ 5,781,688
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ 198,680	\$ —	\$ 3,136	\$ 14,433	\$ —	\$ —
Accrued payroll	119,015	—	1,899	—	—	—
Accrued vacation and sick leave pay	141,508	—	544	—	—	—
Deferred revenue	—	11,328	—	—	—	—
Total Liabilities	459,203	11,328	5,579	14,433	—	—
Fund Balances						
Reserved for:						
Encumbrances	561,723	—	11,207	47,141	—	—
Capital projects	—	—	—	—	—	—
Home improvement loans	—	—	2,177,672	—	—	—
Debt service	—	—	—	—	46,522	5,781,688
Unreserved	2,482,822	—	(11,207)	1,239,661	23,830	—
Total Fund Balances	3,044,545	—	2,177,672	1,286,802	70,352	5,781,688
Total Liabilities And Fund Balances	\$ 3,503,748	\$ 11,328	\$ 2,183,251	\$ 1,301,235	\$ 70,352	\$ 5,781,688

Sewer Lateral Program	Metropolitan Parks Tax	Park	Tourism	Special Business District	Cable Television	Beautification	Stormwater	Total
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,045,055	\$ 6,893,257
322,711	446,368	3,476,874	820,235	59,730	462,550	301,056	1,198,952	11,182,139
—	31,040	1,313,533	168,294	14,621	115,402	—	147,618	2,377,384
—	—	—	—	—	—	—	—	2,055,452
—	—	—	41,458	—	—	—	328,565	376,951
391,251	—	—	—	—	—	—	21,896	673,628
\$ 713,962	\$ 477,408	\$ 4,790,407	\$ 1,029,987	\$ 74,351	\$ 577,952	\$ 301,056	\$ 2,742,086	\$ 23,558,811
\$ 2,590	\$ —	\$ 37,133	\$ 38,098	\$ 912	\$ 300	\$ 75	\$ 106,743	\$ 402,100
2,099	—	83,373	20,719	—	8,321	397	—	235,823
1,444	—	106,312	29,505	—	7,471	—	—	286,784
—	—	137,912	—	—	—	—	—	149,240
6,133	—	364,730	88,322	912	16,092	472	106,743	1,073,947
18,918	140,362	806,395	66,617	—	6,000	1,500	297,035	1,956,898
—	—	—	—	—	—	—	1,008,405	1,008,405
—	—	—	—	—	—	—	—	2,177,672
—	—	—	—	—	—	—	—	5,828,210
688,911	337,046	3,619,282	875,048	73,439	555,860	299,084	1,329,903	11,513,679
707,829	477,408	4,425,677	941,665	73,439	561,860	300,584	2,635,343	22,484,864
\$ 713,962	\$ 477,408	\$ 4,790,407	\$ 1,029,987	\$ 74,351	\$ 577,952	\$ 301,056	\$ 2,742,086	\$ 23,558,811

CITY OF SAINT CHARLES, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2003

	Capital Improvement	Street Construction	Major Facilities	Justice Center	Total
Assets					
Cash And Investments:					
Held by trustees	\$ 81,995	\$ 337,599	\$ 1,644,148	\$ —	\$ 2,063,742
Unrestricted	7,682,884	4,278,667	1,707,386	108,533	13,777,470
Receivables, net of allowances:					
Taxes	419,530	394,907	151,600	—	966,037
Grants	62,313	—	—	—	62,313
Due from other fund	130,000	—	—	—	130,000
Advance to other fund	475,000	—	—	—	475,000
Other receivables	800,000	300,000	62	—	1,100,062
Total Assets	\$ 9,651,722	\$ 5,311,173	\$ 3,503,196	\$ 108,533	\$ 18,574,624
Liabilities And Fund Balances					
Liabilities					
Accounts payable	\$ 751,157	\$ 468,889	\$ 246,451	\$ 82,019	\$ 1,548,516
Deferred revenue	55,601	—	—	—	55,601
Total Liabilities	806,758	468,889	246,451	82,019	1,604,117
Fund Balances					
Reserved for:					
Encumbrances	1,402,899	911,150	470,651	26,514	2,811,214
Capital projects	6,967,065	3,931,134	2,786,094	—	13,684,293
Advance to other fund	475,000	—	—	—	475,000
Total Fund Balances	8,844,964	4,842,284	3,256,745	26,514	16,970,507
Total Liabilities And Fund Balances	\$ 9,651,722	\$ 5,311,173	\$ 3,503,196	\$ 108,533	\$ 18,574,624

CITY OF SAINT CHARLES, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2003

	Combined Nonmajor Special Revenue Funds	Debt Service Fund	Combined Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Taxes, including interest and penalties:					
Property	\$ 4,380,766	\$ 1,412,539	\$ —	\$ —	\$ 5,793,305
Utility	82,775	—	—	—	82,775
Tourism	1,669,252	—	—	—	1,669,252
Sales	3,652,974	—	5,454,184	—	9,107,158
Gasoline and motor fuel	2,453,938	—	—	—	2,453,938
Gaming receipts	2,828,575	—	5,825,641	—	8,654,216
County road and bridge	1,018,605	—	—	—	1,018,605
Cable television	341,319	—	—	—	341,319
Total Taxes	16,428,204	1,412,539	11,279,825	—	29,120,568
Federal, state and county grants	1,002,310	—	35,580	—	1,037,890
Licenses, permits, fines and fees	2,006,310	—	—	42,791	2,049,101
Interest on investments	67,492	4,167	24,592	1,830	98,081
Other	425,207	—	5,402	—	430,609
Total Revenues	19,929,523	1,416,706	11,345,399	44,621	32,736,249
Expenditures					
Current:					
General government	5,933,529	—	—	—	5,933,529
Public improvements	4,479,928	—	—	—	4,479,928
Public parks	2,617,052	—	—	—	2,617,052
Public services	241,036	—	—	—	241,036
Other	—	—	—	11,336	11,336
Capital outlay	4,932,438	—	15,365,276	—	20,297,714
Debt service:					
Principal retirement	2,110,000	1,005,000	225,000	—	3,340,000
Interest and fiscal charges	1,792,934	852,820	229,168	—	2,874,922
Advance refunding escrow agent	—	213,613	—	—	213,613
Bond issue costs	—	51,802	62,792	—	114,594
Total Expenditures	22,106,917	2,123,235	15,882,236	11,336	40,123,724
Revenues Over (Under) Expenditures	(2,177,394)	(706,529)	(4,536,837)	33,285	(7,387,475)
Other Financing Sources (Uses)					
Transfers in	224,729	1,100,000	296,262	—	1,620,991
Transfers out	(534,729)	—	(1,796,262)	—	(2,330,991)
General obligation bonds issued	—	2,555,000	—	—	2,555,000
Certificates of participation notes issued	5,776,840	—	1,865,000	—	7,641,840
Tax increment financing notes issued	1,776,000	—	—	—	1,776,000
Proceeds from sale of fixed assets	313	—	63,525	—	63,838
Payment to refunding bond escrow agent	—	(2,497,987)	—	—	(2,497,987)
Total Other Financing Sources (Uses)	7,243,153	1,157,013	428,525	—	8,828,691
Net Change In Fund Balances	5,065,759	450,484	(4,108,312)	33,285	1,441,216
Fund Balance					
Beginning of year	17,419,105	1,073,948	21,078,819	312,154	39,884,026
End of year	\$ 22,484,864	\$ 1,524,432	\$ 16,970,507	\$ 345,439	\$ 41,325,242

CITY OF SAINT CHARLES, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2003

	Street Maintenance And Improvement	Special Assessment	Community Development	Redevelopment	Tax Increment Financing (TIF) Districts	Convention Center
Revenues						
Taxes, including interest and penalties:						
Property	\$ —	\$ —	\$ —	\$ —	\$ 1,898,900	\$ —
Utility	—	—	—	—	82,775	—
Tourism	—	—	—	—	—	—
Sales	1,901,358	—	—	—	1,516,584	—
Gasoline and motor fuel	2,453,938	—	—	—	—	—
Gaming receipts	—	—	—	1,516,607	—	—
County road and bridge	1,018,605	—	—	—	—	—
Cable television	—	—	—	—	—	—
Total Taxes	5,373,901	—	—	1,516,607	3,498,259	—
Federal, state and county grants	3,000	—	536,718	—	—	—
Licenses, permits, fines and fees	37,119	—	—	—	—	—
Interest on investments	—	—	207	—	999	4,848
Other	214,727	—	6,700	—	—	—
Total Revenues	5,628,747	—	543,625	1,516,607	3,499,258	4,848
Expenditures						
Current:						
General government	1,153,061	—	75,038	712,540	488,093	—
Public improvements	4,364,014	—	86,152	—	—	—
Public parks	—	—	—	—	—	—
Public services	—	—	241,036	—	—	—
Capital outlay	345,372	—	—	352,253	1,776,000	—
Debt service:						
Principal retirement	—	—	—	—	1,710,000	—
Interest and fiscal charges	—	—	—	—	1,357,862	—
Total Expenditures	5,862,447	—	402,226	1,064,793	5,331,955	—
Revenues Over (Under)						
Expenditures	(233,700)	—	141,399	451,814	(1,832,697)	4,848
Other Financing Sources (Uses)						
Transfers in	—	—	—	—	—	—
Transfers out	(10,000)	—	—	(524,729)	—	—
Certificates of participation notes issued	—	—	—	—	—	5,776,840
Tax increment financing notes issued	—	—	—	—	1,776,000	—
Proceeds from sale of fixed assets	—	—	—	—	—	—
Total Other Financing Sources (Uses)	(10,000)	—	—	(524,729)	1,776,000	5,776,840
Net Change In Fund Balances	(243,700)	—	141,399	(72,915)	(56,697)	5,781,688
Fund Balance						
Beginning of year	3,288,245	—	2,036,273	1,359,717	127,049	—
End of year	\$ 3,044,545	\$ —	\$ 2,177,672	\$ 1,286,802	\$ 70,352	\$ 5,781,688

Sewer Lateral Program	Metropolitan Park	Park	Tourism	Special Business District	Cable Television	Beautification	Stormwater	Total
\$ —	\$ —	\$ 2,452,547	\$ —	\$ 29,319	\$ —	\$ —	\$ —	\$ 4,380,766
—	—	—	—	—	—	—	—	82,775
—	—	—	1,669,252	—	—	—	—	1,669,252
—	235,032	—	—	—	—	—	—	3,652,974
—	—	—	—	—	—	—	—	2,453,938
—	—	—	—	—	—	—	1,311,968	2,828,575
—	—	—	—	—	—	—	—	1,018,605
—	—	—	—	—	341,319	—	—	341,319
—	235,032	2,452,547	1,669,252	29,319	341,319	—	1,311,968	16,428,204
—	—	—	134,027	—	—	—	328,565	1,002,310
435,166	—	1,518,888	—	15,137	—	—	—	2,006,310
—	—	20,514	—	—	—	—	40,924	67,492
—	—	82,029	55,084	—	66,667	—	—	425,207
435,166	235,032	4,073,978	1,858,363	44,456	407,986	—	1,681,457	19,929,523
161,472	—	900,855	1,802,376	31,586	267,133	—	341,375	5,933,529
—	—	—	—	—	—	29,762	—	4,479,928
—	—	2,617,052	—	—	—	—	—	2,617,052
—	—	—	—	—	—	—	—	241,036
23,755	53,004	616,290	12,657	—	31,418	2,506	1,719,183	4,932,438
—	—	—	—	—	—	—	400,000	2,110,000
—	—	—	—	—	—	—	435,072	1,792,934
185,227	53,004	4,134,197	1,815,033	31,586	298,551	32,268	2,895,630	22,106,917
249,939	182,028	(60,219)	43,330	12,870	109,435	(32,268)	(1,214,173)	(2,177,394)
—	—	—	224,729	—	—	—	—	224,729
—	—	—	—	—	—	—	—	(534,729)
—	—	—	—	—	—	—	—	5,776,840
—	—	—	—	—	—	—	—	1,776,000
—	—	313	—	—	—	—	—	313
—	—	313	224,729	—	—	—	—	7,243,153
249,939	182,028	(59,906)	268,059	12,870	109,435	(32,268)	(1,214,173)	5,065,759
457,890	295,380	4,485,583	673,606	60,569	452,425	332,852	3,849,516	17,419,105
\$ 707,829	\$ 477,408	\$ 4,425,677	\$ 941,665	\$ 73,439	\$ 561,860	\$ 300,584	\$ 2,635,343	\$ 22,484,864

CITY OF SAINT CHARLES, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended December 31, 2003

	Capital Improvement	Street Construction	Major Facilities	Justice Center	Total
Revenues					
Sales taxes	\$ 5,454,184	\$ —	\$ —	\$ —	\$ 5,454,184
Gaming taxes	—	3,696,534	2,129,107	—	5,825,641
Federal, state and county grants	35,580	—	—	—	35,580
Interest on investments	—	4,644	447	19,501	24,592
Other	5,402	—	—	—	5,402
Total Revenues	5,495,166	3,701,178	2,129,554	19,501	11,345,399
Expenditures					
Capital Outlay:					
Administrative	604,312	—	520,438	—	1,124,750
Street improvements	3,761,099	4,209,894	—	—	7,970,993
Fire department	769,746	—	—	—	769,746
Police department	1,250,133	—	16,593	2,562,731	3,829,457
Public parks	—	—	1,670,330	—	1,670,330
Total Capital Outlay	6,385,290	4,209,894	2,207,361	2,562,731	15,365,276
Debt Service:					
Principal retirement	200,000	25,000	—	—	225,000
Interest and fiscal charges	26,673	93,788	108,707	—	229,168
Bond issue costs	—	—	62,792	—	62,792
Total Expenditures	6,611,963	4,328,682	2,378,860	2,562,731	15,882,236
Revenues Under Expenditures	(1,116,797)	(627,504)	(249,306)	(2,543,230)	(4,536,837)
Other Financing Sources (Uses)					
Transfer in	—	—	—	296,262	296,262
Transfers out	(806,262)	—	(990,000)	—	(1,796,262)
Certificate of participation notes issued	—	—	1,865,000	—	1,865,000
Proceeds from sale of fixed assets	63,525	—	—	—	63,525
Total Other Financing Sources (Uses)	(742,737)	—	875,000	296,262	428,525
Net Change In Fund Balances	(1,859,534)	(627,504)	625,694	(2,246,968)	(4,108,312)
Fund Balances					
Beginning of year	10,704,498	5,469,788	2,631,050	2,273,483	21,078,819
End of year	\$ 8,844,964	\$ 4,842,284	\$ 3,256,744	\$ 26,515	\$ 16,970,507

CITY OF SAINT CHARLES, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS AGENCY FUNDS For The Year Ended December 31, 2003

	Balance - December 31, 2002	Additions	Deductions	Balance - December 31, 2003
Contractor's Guarantee				
Assets - cash and investments - restricted	\$ 357,257	\$ 44,975	\$ 27,029	\$ 375,203
Liabilities - deposits payable held in escrow	\$ 357,257	\$ 44,975	\$ 27,029	\$ 375,203
Bail Bond				
Assets - cash and in escrow	\$ 57,565	\$ 254,178	\$ 264,870	\$ 46,873
Liabilities - deposits payable held in escrow	\$ 57,565	\$ 254,178	\$ 264,870	\$ 46,873
Alarm And Dispatch				
Assets due from other taxing units	\$ 205,131	\$ —	\$ 205,131	\$ —
Liabilities - due to other funds	\$ 205,131	\$ —	\$ 205,131	\$ —
Mark Twain Mall TDD				
Assets - cash and investments - restricted	\$ 180,159	\$ 506,118	\$ 597,434	\$ 88,843
Liabilities - due to other taxing districts	\$ 180,159	\$ 506,118	\$ 597,434	\$ 88,843
Totals - All Agency Funds				
Assets:				
Cash and investments - restricted	\$ 594,981	\$ 805,271	\$ 889,333	\$ 510,919
Due from other taxing units	205,131	—	205,131	—
Total Assets	\$ 800,112	\$ 805,271	\$ 1,094,464	\$ 510,919
Liabilities:				
Due to other funds	\$ 205,131	\$ —	\$ 205,131	\$ —
Due to other taxing units	180,159	506,118	597,434	88,843
Deposits payable held in escrow	414,822	299,153	291,899	422,076
Total Liabilities	\$ 800,112	\$ 805,271	\$ 1,094,464	\$ 510,919

**Individual Fund Schedules of Revenues,
Expenditures and Changes in
Fund Balances - Budget
(Non-GAAP Basis) and Actual**

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL STREET MAINTENANCE AND IMPROVEMENT FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Sales	\$ 1,955,000	\$ 1,894,594	\$ (60,406)
Gasoline and motor fuel	2,435,000	2,444,540	9,540
County road and bridge	1,017,000	1,018,605	1,605
Total Taxes	5,407,000	5,357,739	(49,261)
Federal, state and county grants	241,001	3,000	(238,001)
Licenses, permits, fines and fees	28,302	37,119	8,817
Other	136,675	214,727	78,052
Total Revenues	5,812,978	5,612,585	(200,393)
Expenditures			
Current:			
General government	1,126,458	1,128,358	(1,900)
Public improvements	5,156,879	4,423,157	733,722
Capital outlay	1,252,122	376,272	875,850
Total Expenditures	7,535,459	5,927,787	1,607,672
Revenues Over (Under) Expenditures	(1,722,481)	(315,202)	1,407,279
Other Financing Sources (Uses)			
Operating transfers in	3,000	—	(3,000)
Operating transfers out	(10,000)	(10,000)	—
Total Other Financing Sources (Uses)	(7,000)	(10,000)	(3,000)
Net Change In Fund Balances	(1,729,481)	(325,202)	1,404,279
Fund Balances			
Beginning of year	3,197,017	3,197,017	—
End of year	\$ 1,467,536	\$ 2,871,815	\$ 1,404,279

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL ASSESSMENT FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Special tax bills	\$ 3,000	\$ —	\$ (3,000)
Expenditures	—	—	—
Revenues Over (Under) Expenditures	3,000	—	(3,000)
Other Financing Uses			
Operating transfers out	(3,000)	—	(3,000)
Net Change In Fund Balances	—	—	—
Fund Balances			
Beginning of year	—	—	—
End of year	\$ —	\$ —	\$ —

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL COMMUNITY DEVELOPMENT FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Federal, state and county grants	\$ 903,997	\$ 587,892	\$ (316,105)
Interest on investments	700	207	(493)
Other	11,000	115,590	104,590
Total Revenues	915,697	703,689	(212,008)
Expenditures			
Current:			
General government	87,185	75,915	11,270
Public improvements	554,691	360,482	194,209
Public services	262,121	241,036	21,085
Total Expenditures	903,997	677,433	226,564
Revenues Over Expenditures	11,700	26,256	14,556
Fund Balances			
Beginning of year	94,615	94,615	—
End of year	\$ 106,315	\$ 120,871	\$ 14,556

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL REDEVELOPMENT FUND

For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Gaming	\$ 1,457,500	\$ 1,457,500	\$ —
Expenditures			
Current:			
General government	1,745,380	709,040	1,036,340
Capital outlay	392,615	348,820	43,795
Total Expenditures	2,137,995	1,057,860	1,080,135
Revenues Over (Under) Expenditures	(680,495)	399,640	1,080,135
Other Financing Uses			
Operating transfers out	(532,500)	(524,730)	(7,770)
Net Change In Fund Balances	(1,212,995)	(125,090)	1,087,905
Fund Balances			
Beginning of year	1,224,710	1,224,710	—
End of year	\$ 11,715	\$ 1,099,620	\$ 1,087,905

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TAX INCREMENT FINANCING (TIF) DISTRICTS FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Property	\$ 2,005,500	\$ 1,898,900	\$ (106,600)
Sales	1,676,500	1,599,359	(77,141)
Total Taxes	3,682,000	3,498,259	(183,741)
Other	200	999	799
Total Revenues	3,682,200	3,499,258	(182,942)
Expenditures			
Current:			
General government	479,614	488,093	(8,479)
Debt service:			
Principal retirement	1,765,000	1,710,000	55,000
Interest and fiscal charges	1,451,650	1,357,862	93,788
Total Expenditures	3,696,264	3,555,955	140,309
Revenues Over (Under) Expenditures	(14,064)	(56,697)	(42,633)
Fund Balances			
Beginning of year	127,049	127,049	—
End of year	\$ 112,985	\$ 70,352	\$ (42,633)

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CONVENTION CENTER FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Interest on investments	\$ —	\$ 2,367	\$ 2,367
Expenditures	—	—	—
Revenues Over Expenditures	—	2,367	2,367
Other Financing Sources			
Proceeds from debt issuance	5,776,840	5,776,840	—
Net Change In Fund Balances	5,776,840	5,779,207	2,367
Fund Balances			
Beginning of year	—	—	—
End of year	\$ 5,776,840	\$ 5,779,207	\$ 2,367

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SEWER LATERAL PROGRAM FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Sewer Lateral fee	\$ 453,718	\$ 442,868	\$ (10,850)
Expenditures			
Current:			
General government	425,718	155,589	270,129
Capital outlay	28,000	23,504	4,496
Total Expenditures	453,718	179,093	274,625
Revenues Over Expenditures	—	263,775	263,775
Fund Balances			
Beginning of year	58,936	58,936	—
End of year	\$ 58,936	\$ 322,711	\$ 263,775

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL METROPOLITAN PARKS TAX FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Sales	\$ 200,000	\$ 262,396	\$ 62,396
Expenditures			
Capital outlay	363,750	53,004	310,746
Revenues Over (Under) Expenditures	(163,750)	209,392	373,142
Fund Balances			
Beginning of year	236,976	236,976	—
End of year	\$ 73,226	\$ 446,368	\$ 373,142

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PARK FUND

For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Property	\$ 2,344,000	\$ 2,447,721	\$ 103,721
Licenses, permits, fines and fees	1,569,125	1,518,966	(50,159)
Interest on investments	36,000	20,514	(15,486)
Other	74,343	82,029	7,686
Total Revenues	4,023,468	4,069,230	45,762
Expenditures			
Current:			
General government	1,042,892	928,069	114,823
Public parks	2,749,532	2,592,567	156,965
Capital outlay	1,983,421	651,986	1,331,435
Total Expenditures	5,775,845	4,172,622	1,603,223
Revenues Over (Under) Expenditures	(1,752,377)	(103,392)	1,648,985
Other Financing Sources			
Proceeds from sale of fixed assets	—	313	313
Net Change In Fund Balances	(1,752,377)	(103,079)	1,649,298
Fund Balances			
Beginning of year	3,579,953	3,579,953	—
End of year	\$ 1,827,576	\$ 3,476,874	\$ 1,649,298

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TOURISM FUND

For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Tourism	\$ 1,539,500	\$ 1,655,035	\$ 115,535
Federal, state and county grants	259,287	116,608	(142,679)
Other	64,680	55,084	(9,596)
Total Revenues	1,863,467	1,826,727	(36,740)
Expenditures			
Current:			
General government	2,315,369	1,810,459	504,910
Capital outlay	34,555	14,126	20,429
Total Expenditures	2,349,924	1,824,585	525,339
Revenues Over (Under) Expenditures	(486,457)	2,142	488,599
Other Financing Sources			
Operating transfers in	232,500	224,729	(7,771)
Net Change In Fund Balances	(253,957)	226,871	480,828
Fund Balances			
Beginning of year	593,364	593,364	—
End of year	\$ 339,407	\$ 820,235	\$ 480,828

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL BUSINESS DISTRICT FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Property	\$ 28,000	\$ 36,702	\$ 8,702
Licenses, permits, fines and fees	14,500	15,137	637
Total Revenues	42,500	51,839	9,339
Expenditures			
Current:			
General government	53,973	41,173	12,800
Revenues Over (Under) Expenditures	(11,473)	10,666	22,139
Fund Balances			
Beginning of year	49,064	49,064	—
End of year	\$ 37,591	\$ 59,730	\$ 22,139

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CABLE TELEVISION FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Cable television	\$ 376,917	\$ 366,380	\$ (10,537)
Expenditures			
Current:			
General government	496,798	298,787	198,011
Revenues Over (Under) Expenditures	(119,881)	67,593	187,474
Fund Balances			
Beginning of year	394,957	394,957	—
End of year	\$ 275,076	\$ 462,550	\$ 187,474

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL BEAUTIFICATION FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues	\$ —	\$ —	\$ —
Expenditures			
Current:			
Public improvements	147,101	33,539	113,562
Capital outlay	190,000	2,506	187,494
Total Expenditures	337,101	36,045	301,056
Revenues Over (Under) Expenditures	(337,101)	(36,045)	301,056
Fund Balances			
Beginning of year	337,101	337,101	—
End of year	\$ —	\$ 301,056	\$ 301,056

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL STORMWATER FUND

For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Gaming	\$ 1,295,000	\$ 1,295,000	\$ —
Federal, state and county grants	172,880	—	(172,880)
Total Revenues	1,467,880	1,295,000	(172,880)
Expenditures			
Current:			
General government	1,094,716	325,415	769,301
Capital outlay	1,273,746	689,736	584,010
Debt service:			
Principal retirement	400,000	400,000	—
Interest and fiscal charges	445,000	434,770	10,230
Total Expenditures	3,213,462	1,849,921	1,363,541
Revenues Over (Under) Expenditures	(1,745,582)	(554,921)	1,190,661
Fund Balances			
Beginning of year	1,753,873	1,753,873	—
End of year	\$ 8,291	\$ 1,198,952	\$ 1,190,661

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL DEBT SERVICE FUND

For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Property taxes, including interest and penalties	\$ 870,600	\$ 1,155,651	\$ 285,051
Interest on investments	5,000	4,169	(831)
Total Revenues	875,600	1,159,820	284,220
Expenditures			
Principal retirement	1,005,000	1,005,000	—
Interest and fiscal charges	860,190	852,820	7,370
Advance to Refunding Escrow Agent	213,613	213,613	—
Bond issue costs	57,013	51,802	5,211
Total Expenditures	2,135,816	2,123,235	12,581
Revenues Over (Under) Expenditures	(1,260,216)	(963,415)	296,801
Other Financing Sources (Uses)			
Operating transfers in	1,100,000	1,100,000	—
Proceeds from debt issuance	2,555,000	2,555,000	—
Payment to refunding bond escrow agent	(2,497,987)	(2,497,987)	—
Total Other Financing Sources (Uses)	1,157,013	1,157,013	—
Net Change In Fund Balances	(103,203)	193,598	296,801
Fund Balances			
Beginning of year	641,741	641,741	—
End of year	\$ 538,538	\$ 835,339	\$ 296,801

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL STREET CONSTRUCTION FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Federal, state and county grants	\$ 12,446,476	\$ 1,745,438	\$ (10,701,038)
Expenditures			
Capital outlay:			
Street improvements	12,078,534	3,366,676	8,711,858
Revenues Over Expenditures	367,942	(1,621,238)	(1,989,180)
Fund Balances			
Beginning of year	(367,942)	(367,942)	—
End of year	\$ —	\$ (1,989,180)	\$ (1,989,180)

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CONVENTION FACILITIES FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Intergovernmental revenue from St. Charles			
County Convention and Sports Facilities Authority	\$ 17,216,246	\$ 15,690,870	\$ (1,525,376)
Interest	238,859	14,771	(224,088)
Total Revenues	17,455,105	15,705,641	(1,749,464)
Expenditures			
Capital outlay:			
Administrative	40,802,678	4,935,715	35,866,963
Debt Service:			
Bond issue costs	610,587	604,243	6,344
Total Expenditures	41,413,265	5,539,958	35,873,307
Revenues Over (Under) Expenditures	(23,958,160)	10,165,683	34,123,843
Other Financing Sources			
Proceeds from debt issuance	23,958,160	23,958,160	—
Net Change In Fund Balances	—	34,123,843	34,123,843
Fund Balances			
Beginning of year	—	—	—
End of year	\$ —	\$ 34,123,843	\$ 34,123,843

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL IMPROVEMENT FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Sales	\$ 5,687,000	\$ 5,516,905	\$ (170,095)
Federal, state and county grants	66,327	56,367	(9,960)
Other	5,402	5,402	—
Total Revenues	5,758,729	5,578,674	(180,055)
Expenditures			
Capital outlay:			
Administrative	755,667	404,425	351,242
Street improvements	9,794,009	3,392,991	6,401,018
Fire department	759,198	251,866	507,332
Police department	1,383,149	970,509	412,640
Total Capital Outlay	12,692,023	5,019,791	7,672,232
Debt Service:			
Principal retirement	200,000	200,000	—
Interest and fiscal charges	28,400	26,673	1,727
Total Expenditures	12,920,423	5,246,464	7,673,959
Revenues Over (Under) Expenditures	(7,161,694)	332,210	7,493,904
Other Financing Sources (Uses)			
Transfers in	160,000	193,525	33,525
Transfers out	(806,262)	(806,262)	—
Total Other Financing Sources (Uses)	(646,262)	(612,737)	33,525
Net Change In Fund Balances	(7,807,956)	(280,527)	7,527,429
Fund Balances			
Beginning of year	7,963,411	7,963,411	—
End of year	\$ 155,455	\$ 7,682,884	\$ 7,527,429

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL STREET CONSTRUCTION FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Gaming	\$ 3,672,100	\$ 3,672,100	\$ —
Expenditures			
Capital outlay:			
Street improvements	8,039,305	3,773,457	4,265,848
Debt Service:			
Principal retirement	25,000	25,000	—
Interest and fiscal charges	102,100	93,788	8,312
Total Expenditures	8,166,405	3,892,245	4,274,160
Revenues Over (Under) Expenditures	(4,494,305)	(220,145)	4,274,160
Fund Balances			
Beginning of year	4,498,812	4,498,812	—
End of year	\$ 4,507	\$ 4,278,667	\$ 4,274,160

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL MAJOR FACILITIES FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Taxes, including interest and penalties:			
Sales	\$ 2,199,400	\$ 2,199,400	\$ —
Expenditures			
Capital outlay:			
Administrative	3,414,984	1,853,033	1,561,951
Debt Service:			
Interest and fiscal charges	254,104	108,680	145,424
Total Expenditures	3,669,088	1,961,713	1,707,375
Revenues Over (Under) Expenditures	(1,469,688)	237,687	1,707,375
Other Financing Sources			
Transfers out	(990,000)	(990,000)	—
Net Change In Fund Balances	(2,459,688)	(752,313)	1,707,375
Fund Balances			
Beginning of year	2,459,699	2,459,699	—
End of year	\$ 11	\$ 1,707,386	\$ 1,707,375

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL JUSTICE CENTER FUND For The Year Ended December 31, 2003

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Interest	\$ 55,000	\$ 33,904	\$ (21,096)
Expenditures			
Capital outlay:			
Police department	4,380,027	4,271,494	108,533
Revenues Over (Under) Expenditures	(4,325,027)	(4,237,590)	87,437
Other Financing Sources			
Transfers in	296,262	296,262	—
Net Change In Fund Balances	(4,028,765)	(3,941,328)	87,437
Fund Balances			
Beginning of year	4,049,861	4,049,861	—
End of year	\$ 21,096	\$ 108,533	\$ 87,437



Part III – Statistical Section

CITY OF SAINT CHARLES, MISSOURI

TABLE 1

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	General Governmental ⁽¹⁾	Public Safety	Public Works	Public Improvements	Public Parks	Capital Outlay	Debt Service	Total
1994	\$ 3,883,380	\$ 11,272,476	\$ 592,377	\$ 2,425,883	\$ 1,563,941	\$ 6,450,400	\$ 2,620,606	\$ 28,809,063
1995	4,548,283	12,925,858	488,169	3,719,822	1,755,965	6,667,786	2,832,562	32,938,445
1996	5,529,560	13,485,108	685,272	5,053,693	1,833,157	11,238,347	2,783,276	40,608,413
1997	7,286,913	14,421,723	596,117	6,488,589	1,985,650	11,425,884	2,485,003	44,689,879
1998	7,036,828	15,499,623	1,683,500	3,008,908	2,142,314	16,126,597	3,689,851	49,187,621
1999	7,345,239	16,377,247	825,384	3,541,469	2,225,337	26,907,435	3,283,904	60,506,015
2000	7,780,687	16,512,818	714,752	3,728,455	2,293,094	27,289,071	4,276,877	62,595,754
2001 ⁽³⁾	13,312,950	27,881,774	1,116,333	5,239,185	3,531,074	30,931,798	8,092,537	90,105,651
2002	9,688,182	20,420,608	1,191,357	3,856,062	2,358,496	32,491,766	5,591,406	75,597,877
2003	11,219,961	23,351,680	806,913	4,479,928	2,617,052	30,968,398	7,147,372	80,591,304

(1) Includes administrative, finance, purchasing and other functions.

(2) Includes all Governmental Fund types on a GAAP basis.

(3) Fiscal period 2001 consisted of 18 months.

CITY OF SAINT CHARLES, MISSOURI

TABLE 2

**GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes	Federal, State, And County Grants And Entitlements	Intergovernmental Revenue From St. Charles County Convention And Sports Facilities Authority	Licenses, Permits, Fines And Fees	Interest On Investments	Other	Total
1994	\$ 22,116,680	\$ 4,435,370	\$ —	\$ 2,827,494	\$ 542,028	\$ 414,850	\$ 30,336,422
1995	28,511,348	3,881,579	—	3,019,226	1,098,587	855,605	37,366,345
1996	34,186,690	3,594,460	—	3,079,336	1,634,904	708,038	43,203,428
1997	36,231,202	4,729,291	—	3,288,891	2,251,327	604,616	47,105,327
1998	37,637,191	3,974,095	—	3,445,671	2,987,686	801,045	48,845,688
1999	37,163,725	6,284,632	—	3,379,253	2,431,506	1,354,172	50,613,288
2000	40,499,300	3,878,885	—	3,530,615	1,861,721	430,255	50,200,776
2001 ⁽²⁾	66,579,519	2,081,615	—	5,632,529	4,202,226	555,898	79,051,787
2002	49,081,643	3,690,620	—	3,993,485	1,454,299	977,270	59,197,317
2003	54,756,638	4,507,637	15,690,870	4,791,018	622,479	804,488	81,173,130

(1) Includes all Governmental Fund types on a GAAP basis.

(2) Fiscal period 2001 consisted of 18 months.

CITY OF SAINT CHARLES, MISSOURI

TABLE 3

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year	Property	Sales	Gaming	Utility	Cigarette	Financial Institution	Gasoline And Motor Fuel	County Road And Bridge	Hotel Tax ⁽¹⁾	Cable Television Franchise	Tourism	Total
1994	\$ 5,046,364	\$ 8,617,147	\$ 200,173	\$ 4,595,245	\$ 501,992	\$ 52,198	\$ 1,540,162	\$ 648,728	\$ —	\$ 130,925	\$ 783,746	\$ 22,116,680
1995	5,337,594	9,690,901	4,938,542	4,521,009	523,616	67,186	1,695,450	694,587	—	109,741	932,722	28,511,348
1996	5,920,454	10,607,164	8,507,640	5,002,459	505,482	37,466	1,676,942	735,196	—	127,617	1,046,271	34,186,690
1997	6,219,430	11,426,416	9,034,349	5,106,599	412,128	21,286	1,932,666	781,854	—	137,706	1,158,768	36,231,202
1998	6,986,906	13,187,373	7,375,675	5,395,206	465,363	9,468	1,998,529	847,486	—	148,767	1,222,418	37,637,191
1999	7,130,467	12,759,065	7,031,794	5,465,035	468,274	2,592	2,024,752	865,855	—	159,131	1,256,760	37,163,725
2000	7,897,395	14,304,882	7,732,725	5,664,259	495,934	2,315	2,077,857	905,671	—	177,363	1,240,900	40,499,300
2001 ⁽²⁾	16,308,462	20,879,224	12,656,442	9,395,803	735,712	4,651	3,228,236	955,180	—	323,190	2,092,619	66,579,519
2002	10,031,257	15,352,471	12,084,462	6,039,865	475,110	14,679	2,308,617	977,914	—	291,909	1,505,359	49,081,643
2003	11,269,698	15,855,979	15,385,644	6,268,383	493,746	74	2,453,938	1,018,605	81,994	341,319	1,587,258	54,756,638

(1) First year of the tax was 1992, tax was suspended during fiscal year 1993 until 2003 when a portion of the tax was reinstated.

(2) Fiscal period 2001 consisted of 18 months.

CITY OF SAINT CHARLES, MISSOURI

TABLE 4

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Tax Year	Total Tax Levy	Current Tax Collections	Percent Of Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Ratio Of Total Tax Collections To Total Tax Levy	Delinquent And Protested Taxes	Ratio Of Delinquent And Protested Taxes To Total Tax Levy
1994	\$ 5,275,372	\$ 5,056,018	95.8%	\$ 212,560	\$ 5,268,578	99.9%	\$ 233,989	4.4%
1995	5,808,789	5,582,047	96.1%	90,904	5,672,951	97.7%	195,896	3.4%
1996	6,136,270	5,833,008	95.1%	129,878	5,962,886	97.2%	191,737	3.1%
1997	6,783,289	6,479,182	95.5%	144,277	6,623,459	97.6%	186,147	2.7%
1998	6,830,221	6,543,704	95.8%	134,128	6,677,833	97.7%	169,559	2.5%
1999	7,400,800	7,095,500	95.9%	138,058	7,233,558	97.7%	151,007	2.0%
2000 + 2001 ⁽¹⁾	15,829,579	14,974,792	94.6%	168,546	15,143,338	95.7%	601,464	3.8%
2002	8,463,017	7,615,775	90.0%	448,225	8,064,000	95.3%	616,224	7.3%
2003	9,456,401	8,784,640	92.9%	448,881	9,233,521	97.6%	602,926	6.4%

(1) 2000 and 2001 have been combined because the fiscal period consisted of eighteen months which includes tax levies for both years.

CITY OF SAINT CHARLES, MISSOURI

TABLE 5

ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY LAST TEN FISCAL YEARS

Tax Year	Real Estate		Personal Property		Railroad And Utility		Total		Ratio Of Total Assessed Value To Total Estimated
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Actual Value
1994	\$ 373,155,060	\$ 1,688,435,788	\$ 97,641,663	\$ 295,883,827	\$ 14,849,814	\$ 44,999,436	\$ 485,646,537	\$ 2,029,319,051	23.9%
1995	407,538,422	1,899,033,235	122,903,001	372,433,336	15,007,833	45,478,282	545,449,256	2,316,944,853	23.5%
1996	424,232,841	1,974,767,823	136,170,175	412,363,894	15,114,150	45,800,455	575,517,166	2,432,932,172	23.7%
1997	486,853,338	2,465,492,195	146,814,895	444,893,621	15,012,375	45,492,045	648,680,608	2,955,877,861	21.9%
1998	500,892,164	2,315,631,702	148,398,014	449,690,952	15,440,103	46,788,191	664,730,281	2,812,110,845	23.6%
1999	555,688,170	2,575,726,609	157,895,068	478,469,903	15,312,857	46,402,597	728,896,095	3,100,599,109	23.5%
2000	575,376,600	2,662,012,813	159,937,410	484,660,333	15,546,918	47,111,873	750,861,434	3,193,785,019	23.5%
2001	640,054,857	2,960,191,585	162,449,512	492,271,248	16,265,777	49,290,233	818,770,146	3,501,753,066	23.4%
2002	650,850,441	2,984,606,387	178,429,580	540,695,697	15,266,430	46,261,909	844,546,451	3,571,563,993	23.6%
2002	650,850,441	2,984,606,387	178,429,580	540,695,697	15,266,430	46,261,909	844,546,451	3,571,563,993	23.6%
2003	752,746,222	3,458,365,333	177,814,932	538,833,127	14,997,160	45,445,939	945,558,314	4,042,644,399	23.4%

CITY OF SAINT CHARLES, MISSOURI

TABLE 6

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Tax Year	City Of St. Charles			St. Charles School District			County Of St. Charles					Other	Total
	Operating	Debt	Total	Operating	Debt	Total	Operating	Debt	Road And	Total			
		Service	City		Service	District		Service	Bridge	County			
1994	0.8900	0.1500	1.0400	3.6100	0.4100	4.0200	0.0500	0.0300	0.2700	0.3500	0.7300	6.1400	
1995	0.8900	0.1500	1.0400	3.6100	0.4100	4.0200	0.0300	0.0300	0.2700	0.3300	0.9000	6.2900	
1996	0.8900	0.1500	1.0400	3.6500	0.4100	4.0600	0.0300	0.0300	0.2700	0.3300	0.9000	6.3300	
1997	0.8800	0.1400	1.0200	3.5200	0.4900	4.0100	0.0300	0.0300	0.2600	0.3200	0.8400	6.1900	
1998	0.8800	0.1200	1.0000	3.8200	0.4500	4.2700	0.0200	0.0200	0.2600	0.3000	0.8700	6.4400	
1999	0.8900	0.1000	0.9900	3.8200	0.4500	4.2700	0.0100	0.0200	0.2500	0.2800	0.8800	6.4200	
2000	0.8900	0.1000	0.9900	3.7200	0.5500	4.2700	0.0100	0.0100	0.2500	0.2700	0.8800	6.4100	
2001	0.8707	0.1000	0.9707	3.6086	0.6614	4.2700	0.0080	0.0013	0.2400	0.2493	0.8605	6.3505	
2002	0.8707	0.1000	0.9707	3.6199	0.6501	4.2700	0.0075	—	0.2400	0.2475	0.8765	6.3647	
2003	0.8200	0.1500	0.9700	3.4052	1.1648	4.5700	0.0050	—	0.2250	0.2744	0.8240	6.5940	

CITY OF SAINT CHARLES, MISSOURI

TABLE 7

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1994	54,080	\$ 462,254,885	\$ 5,770,000	\$ 576,310	\$ 5,193,690	1.12%	\$ 96.04
1995	55,158	485,646,537	5,305,000	699,866	4,605,134	0.95%	83.49
1996	56,525	545,449,256	7,920,000	657,748	7,262,252	1.33%	128.48
1997	57,500	575,517,166	7,655,000	906,644	6,748,356	1.17%	117.36
1998	58,500	648,680,608	7,325,000	1,124,025	6,200,975	0.96%	106.00
1999	59,400	664,730,281	6,930,000	1,187,928	5,742,072	1.04%	96.67
2000	60,321	728,896,095	6,505,000	1,175,885	5,329,115	0.73%	88.35
2001	60,503	818,770,146	20,415,000	1,697,232	18,717,768	2.29%	309.37
2002	60,685	844,546,451	19,680,000	1,073,948	18,606,052	2.20%	306.60
2003	61,189	945,558,314	18,695,000	1,524,432	17,170,568	1.82%	280.62

(1) The population figure for 2000 is based on actual United States Census Bureau data; 2001 through 2003 were based on United States Census Bureau estimates; all others are City of St. Charles estimates.

CITY OF SAINT CHARLES, MISSOURI

TABLE 8

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio Of Debt Service To General Governmental Expenditures
1994	\$ 605,000	\$ 433,597	\$ 1,038,597 ⁽¹⁾	\$ 28,809,063	3.61%
1995	465,000	355,594	820,594	32,938,445	2.49%
1996	205,000	410,231	615,231 ⁽¹⁾	40,608,413	1.52%
1997	265,000	376,287	641,287	44,689,879	1.43%
1998	330,000	399,648	729,648	49,187,621	1.48%
1999	395,000	379,861	774,861	60,506,015	1.28%
2000	425,000	359,694	784,694	62,595,752	1.25%
2001 ⁽²⁾	775,000	435,803	1,210,803 ⁽¹⁾	90,105,651	1.34%
2002	735,000	1,302,000	2,037,000	75,597,877	2.69%
2003	1,005,000	852,820	1,857,820	80,519,304	2.31%

(1) Excludes payment to refunded bond escrow agent.

(2) Fiscal period 2001 consisted of 18 months.

CITY OF SAINT CHARLES, MISSOURI

TABLE 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT GENERAL OBLIGATION BONDS December 31, 2003

Jurisdiction	Outstanding General Obligation Indebtedness	% Applicable To City	Amount Applicable To City
Direct:			
City of St. Charles	\$ 18,695,000	100.00%	\$ 18,695,000
Overlapping:			
St. Charles County Community College	29,195,000	18.42%	5,377,719
St. Charles R-VI School District	80,788,914	86.37%	69,777,385
St. Charles County Ambulance District	5,325,000	18.32%	975,540
Francis Howell R-III School District	176,988,987	10.98%	19,433,391
St. Charles County R-V School District	15,500,000	75.27%	11,666,850
Total Overlapping	307,797,901	23.53%	107,230,885
	<u>\$ 326,492,901</u>		<u>\$ 125,925,885</u>

SOURCES: Offices of the political subdivisions and the St. Charles County Collector.

CITY OF SAINT CHARLES, MISSOURI

TABLE 10

**REVENUE BOND COVERAGE
WATERWORKS AND SANITARY SEWER FUNDS
LAST TEN FISCAL YEARS**

Fiscal Year	Operating Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 7,263,816	\$ 4,189,431	\$ 3,074,385	\$ 75,000	\$ 5,619	\$ 80,619	38.13
1995	7,343,278	4,344,923	2,998,355	80,000	2,900	82,900	36.17
1996	7,796,133	4,352,089	3,444,044	—	—	—	N/A
1997	7,760,180	4,225,288	3,534,892	—	—	—	N/A
1998	8,127,514	4,790,119	3,337,395	—	—	—	N/A
1999	8,307,362	4,949,453	3,357,909	—	—	—	N/A
2000	8,515,033	4,947,109	3,567,924	—	—	—	N/A
2001 ⁽²⁾	13,490,081	8,311,463	5,178,618	—	—	—	N/A
2002	9,891,986	6,177,076	3,714,910	—	—	—	N/A
2003	10,142,177	7,026,029	3,116,148	—	—	—	N/A

(1) Total operating expenses exclusive of depreciation.

(2) Fiscal period 2001 consisted of 18 months.

CITY OF SAINT CHARLES, MISSOURI

TABLE 11

PRINCIPAL TAX PAYERS

December 31, 2003

Taxpayer	Type Of Business	2003 Assessed Valuation	Percentage Of Total Assessed Valuation
Ameristar Casino St. Charles, Inc.	Gaming/Entertainment	\$ 57,825,065	6.12%
Boeing Company	Electronics and Missile Mfg.	12,529,551	1.33%
Greater Missouri Builders, Inc.	Various Property Holdings	10,665,790	1.13%
Board of Pension Commissioners of Los Angeles	Apartments	5,749,050	0.61%
CAPLACO Fourteen, Inc. Dierbergs Properties	Dierbergs/Retail Strip Mall	5,500,320	0.58%
Mullenix St. Charles Properties, LP	Apartments	4,297,800	0.45%
Remington Apartments Associates, LP	Apartments	4,099,470	0.43%
RReef Villages of Bogey Hills, LP	Apartments	4,048,900	0.43%
Carpeit Sunbrook Limited Partnership	Apartments	2,995,930	0.32%
Country Club Place, LLC	Strip Mall	2,974,370	0.31%
Total		\$ 110,686,246	11.71%

CITY OF SAINT CHARLES, MISSOURI

TABLE 12

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
1994	54,080	\$ 15,626	6,396	4.2%
1995	55,158	15,626	6,497	4.2%
1996	56,525	15,626	6,626	3.0%
1997	57,500	15,626	6,621	2.8%
1998	58,500	15,626	6,368	3.2%
1999	59,400	23,607	6,205	2.5%
2000	60,321	23,607	6,190	2.0%
2001	60,503	23,607	5,812	3.5%
2002	60,685	23,607	5,892	3.6%
2003	61,189	23,607	5,859	3.9%

(1) The population figure for 2000 is based on actual United States Census Bureau data; 2001 through 2003 were based on United States Census Bureau estimates; all others are City of St. Charles estimates.

(2) City of St. Charles Development Department (updated information not available subsequent to 1999).

(3) St. Charles City Board of Education.

(4) Division of Employment Security.

CITY OF SAINT CHARLES, MISSOURI

TABLE 13

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS LAST TEN FISCAL YEARS

Fiscal Year	Property Values			Commercial Construction		Residential Construction		Bank Deposits
	Commercial	Residential	Total	Number Of Units	Value	Number Of Units	Value	
1994	\$ 133,910,390	\$ 227,914,330	\$ 361,824,720	94	\$ 28,682,890	825	\$ 58,759,443	\$ 631,261,000
1995	129,938,410	243,216,650	373,155,060	114	22,183,803	539	50,488,265	689,144,230
1996	115,529,567	292,008,855	407,538,422	25	21,251,890	592	50,656,241	818,524,336
1997	121,168,073	303,064,768	424,232,841	40	81,510,531	320	28,176,507	776,804,776
1998	143,967,180	342,886,158	486,853,338	70	21,994,283	239	21,527,198	800,391,468
1999	150,520,330	350,371,834	500,892,164	79	38,464,539	353	32,789,210	809,596,498
2000	163,850,509	391,837,661	555,688,170	44	51,074,058	280	26,629,447	962,198,173
2001 ⁽¹⁾	192,676,853	447,378,004	640,054,857	43	78,737,498	300	41,450,214	880,432,103
2002	199,520,259	451,330,182	650,850,441	12	18,857,220	199	54,617,894	929,894,133
2003	236,287,498	516,458,724	725,746,222	20	15,439,647	171	22,989,294	944,016,801

SOURCE: St. Charles County Assessor, City Development and local banks.

(1) Fiscal period 2001 consisted of 18 months.

CITY OF SAINT CHARLES, MISSOURI

TABLE 14

MISCELLANEOUS STATISTICS AND OTHER INFORMATION December 31, 2003

Date of Incorporation	November 2, 1809	Sewer System:	
Form of Government	Home Rule Charter	Miles of sanitary sewers	270
Number of employees:		Miles of storm sewers	141
Classified	340	Number of treatment plants	2
Exempt	77	Number of service connectors	29,170
Area in Square Miles	24	Daily average treatment in gallons	8,900,000
		Maximum daily capacity of treatment in gallons	12,800,000
City of St. Charles facilities and service:			
Miles of streets	255		
Culture and Recreation:		Water System:	
Parks	19	Miles of water mains	283
Park acreage	671	Number of service connections	28,800
Swimming pool	3	Number of fire hydrants	2,218
Basketball courts	3	Daily average consumption in gallons	7,532,704
Tennis courts	13		
Ball diamonds	24	Maximum daily capacity of pumping stations in gallons	36,000,000
Soccer fields	19		
Horseshoe courts	16	Facilities and services not included in the reporting entity:	
Sand volleyball courts	4		
Fire Protection:		Education:	
Number of stations	5	Number of elementary schools	7
Number of fire department personnel	85	Number of elementary school instructors	201
Number of calls answered	6,288	Number of middle and high schools	4
Number of inspections conducted	418	Number of middle and high school instructors	285
		Number of colleges	2
Police Protection:		Vocational instructors	19
Number of stations	1	Hospitals:	
Number of police department personnel	156	Number of hospitals	1
Number of patrol units	75		
Number of law violations:		Number of patient beds	364
Physical arrests	Adult 3,468		
	Juvenile 570		
	<u>4,038</u>		
Traffic violations	Tickets 15,947		
	Accident 2,339		
	<u>18,286</u>		